

SB 5513 - S AMD 151
By Senator Haugen

ADOPTED 03/14/2005

1 Strike everything after the enacting clause and insert the
2 following:

3 "NEW SECTION. **Sec. 1.** The legislature finds that it is in the
4 interest of the state to restructure the roles and responsibilities of
5 the state's transportation agencies in order to improve efficiency and
6 accountability. The legislature also finds that continued citizen
7 oversight of the state's transportation system remains an important
8 priority. To achieve these purposes, the legislature intends to
9 provide direct accountability of the department of transportation to
10 the governor, in his or her role as chief executive officer of state
11 government, by making the secretary of transportation a cabinet-level
12 official. Additionally, it is essential to clearly delineate between
13 the separate and distinct roles and responsibilities of the
14 transportation commission and the department of transportation.
15 Finally, consolidating the research and audit functions of the state's
16 transportation agencies under a single citizen-governed entity, the
17 transportation commission, will better serve the state.

18 **Departmental Governance**

19 **Sec. 2.** RCW 43.17.020 and 1995 1st sp.s. c 2 s 2 are each amended
20 to read as follows:

21 There shall be a chief executive officer of each department to be
22 known as: (1) The secretary of social and health services, (2) the
23 director of ecology, (3) the director of labor and industries, (4) the
24 director of agriculture, (5) the director of fish and wildlife, (6) the
25 secretary of transportation, (7) the director of licensing, (8) the
26 director of general administration, (9) the director of community,
27 trade, and economic development, (10) the director of veterans affairs,

1 (11) the director of revenue, (12) the director of retirement systems,
2 (13) the secretary of corrections, (~~and~~) (14) the secretary of
3 health, and (15) the director of financial institutions.

4 Such officers, except the (~~secretary of transportation and the~~)
5 director of fish and wildlife, shall be appointed by the governor, with
6 the consent of the senate, and hold office at the pleasure of the
7 governor. (~~The secretary of transportation shall be appointed by the~~
8 ~~transportation commission as prescribed by RCW 47.01.041.~~) The
9 director of fish and wildlife shall be appointed by the fish and
10 wildlife commission as prescribed by RCW 77.04.055.

11 **Sec. 3.** RCW 47.01.041 and 1983 1st ex.s. c 53 s 28 are each
12 amended to read as follows:

13 The executive head of the department of transportation shall be the
14 secretary of transportation, who shall be appointed by the
15 (~~transportation commission~~) governor with the consent of the senate,
16 and shall be paid a salary to be fixed by the governor in accordance
17 with the provisions of RCW 43.03.040. The secretary shall be an ex
18 officio member of the transportation commission without a vote. (~~The~~
19 ~~secretary shall be the chief executive officer of the commission and be~~
20 ~~responsible to it, and shall be guided by policies established by it.~~)
21 The secretary shall serve (~~until removed by the commission, but only~~
22 ~~for incapacity, incompetence, neglect of duty, malfeasance in office,~~
23 ~~or failure to carry out the commission's policies. Before a motion for~~
24 ~~dismissal shall be acted on by the commission, the secretary shall be~~
25 ~~granted a hearing on formal written charges before the full commission.~~
26 ~~An action by the commission to remove the secretary shall be final~~) at
27 the pleasure of the governor.

28 **Sec. 4.** RCW 47.01.061 and 1987 c 364 s 2 are each amended to read
29 as follows:

30 (1) The commission shall meet at such times as it deems advisable
31 but at least once every month. It may adopt its own rules and
32 regulations and may establish its own procedure. It shall act
33 collectively in harmony with recorded resolutions or motions adopted by
34 majority vote of at least four members. The commission may appoint an
35 administrative secretary, and shall elect one of its members chairman
36 for a term of one year. The chairman shall be able to vote on all

1 matters before the commission. The commission may from time to time
2 retain planners, consultants, and other technical personnel to advise
3 it in the performance of its duties.

4 (2) The commission shall submit to each regular session of the
5 legislature held in an odd-numbered year its own budget proposal
6 necessary for the commission's operations separate from that proposed
7 for the department.

8 (3) Each member of the commission shall be compensated in
9 accordance with RCW 43.03.250 and shall be reimbursed for actual
10 necessary traveling and other expenses in going to, attending, and
11 returning from meetings of the commission, and actual and necessary
12 traveling and other expenses incurred in the discharge of such duties
13 as may be requested by a majority vote of the commission or by the
14 secretary of transportation, but in no event shall a commissioner be
15 compensated in any year for more than one hundred twenty days, except
16 the chairman of the commission who may be paid compensation for not
17 more than one hundred fifty days. Service on the commission shall not
18 be considered as service credit for the purposes of any public
19 retirement system.

20 (4) Each member of the commission shall disclose any actual or
21 potential conflict of interest, if applicable under the circumstance,
22 regarding any commission business.

23 **Sec. 5.** RCW 47.01.071 and 1981 c 59 s 2 are each amended to read
24 as follows:

25 The transportation commission shall have the following functions,
26 powers, and duties:

27 (1) To propose policies to be adopted by the governor and the
28 legislature designed to assure the development and maintenance of a
29 comprehensive and balanced statewide transportation system which will
30 meet the needs of the people of this state for safe and efficient
31 transportation services. Wherever appropriate the policies shall
32 provide for the use of integrated, intermodal transportation systems to
33 implement the social, economic, and environmental policies, goals, and
34 objectives of the people of the state, and especially to conserve
35 nonrenewable natural resources including land and energy. To this end
36 the commission shall:

1 (a) Develop transportation policies which are based on the
2 policies, goals, and objectives expressed and inherent in existing
3 state laws;

4 (b) Inventory the adopted policies, goals, and objectives of the
5 local and area-wide governmental bodies of the state and define the
6 role of the state, regional, and local governments in determining
7 transportation policies, in transportation planning, and in
8 implementing the state transportation plan;

9 (c) Propose a transportation policy for the state(~~(, and after~~
10 ~~notice and public hearings, submit the proposal to the legislative~~
11 ~~transportation committee and the senate and house transportation~~
12 ~~committees by January 1, 1978, for consideration in the next~~
13 ~~legislative session));~~

14 (d) Establish a procedure for review and revision of the state
15 transportation policy and for submission of proposed changes to the
16 governor and the legislature;

17 (e) To integrate the statewide transportation plan with the needs
18 of the elderly and handicapped, and to coordinate federal and state
19 programs directed at assisting local governments to answer such needs;

20 ~~(2) ((To establish the policy of the department to be followed by~~
21 ~~the secretary on each of the following items:~~

22 ~~(a))~~ To provide for the effective coordination of state
23 transportation planning with national transportation policy, state and
24 local land use policies, and local and regional transportation plans
25 and programs;

26 ~~((b))~~ (3) In conjunction with the provisions under section 6 of
27 this act, to provide for public involvement in transportation designed
28 to elicit the public's views both with respect to adequate
29 transportation services and appropriate means of minimizing adverse
30 social, economic, environmental, and energy impact of transportation
31 programs;

32 ~~((c) To provide for the administration of grants in aid and other~~
33 ~~financial assistance to counties and municipal corporations for~~
34 ~~transportation purposes;~~

35 ~~(d) To provide for the management, sale, and lease of property or~~
36 ~~property rights owned by the department which are not required for~~
37 ~~transportation purposes;~~

1 ~~(3))~~ (4) To ~~((direct the secretary to))~~ prepare ~~((and submit to~~
2 ~~the commission))~~ a comprehensive and balanced statewide transportation
3 plan which shall be based on the transportation policy adopted by the
4 governor and the legislature and applicable state and federal laws.
5 ~~((After public notice and hearings, the commission shall adopt the plan~~
6 ~~and submit it to the legislative transportation committee and to the~~
7 ~~house and senate standing committees on transportation before January~~
8 ~~1, 1980, for consideration in the 1980 regular legislative session.))~~

9 The plan shall be reviewed and revised, and submitted to the governor
10 and the house of representatives and senate standing committees on
11 transportation, prior to each regular session of the legislature during
12 an even-numbered year thereafter. ~~((A preliminary plan shall be~~
13 ~~submitted to such committees by January 1, 1979.))~~

14 The plan shall take into account federal law and regulations
15 relating to the planning, construction, and operation of transportation
16 facilities;

17 ~~((4))~~ (5) To propose to the governor and the legislature prior to
18 the convening of each regular session held in an odd-numbered year a
19 recommended budget for the operations of the commission as required by
20 RCW 47.01.061;

21 ~~((5) To approve and propose to the governor and to the legislature~~
22 ~~prior to the convening of each regular session during an odd-numbered~~
23 ~~year a recommended budget for the operation of the department and for~~
24 ~~carrying out the program of the department for the ensuing biennium.~~
25 ~~The proposed budget shall separately state the appropriations to be~~
26 ~~made from the motor vehicle fund for highway purposes in accordance~~
27 ~~with constitutional limitations and appropriations and expenditures to~~
28 ~~be made from the general fund, or accounts thereof, and other available~~
29 ~~sources for other operations and programs of the department;~~

30 ~~(6) To review and authorize all departmental requests for~~
31 ~~legislation;~~

32 ~~(7))~~ (6) To approve the issuance and sale of all bonds authorized
33 by the legislature for capital construction of state highways, toll
34 facilities, Columbia Basin county roads (for which reimbursement to the
35 motor vehicle fund has been provided), urban arterial projects, and
36 aviation facilities;

37 ~~((8))~~ (7) To adopt such rules, regulations, and policy directives

1 as may be necessary to carry out reasonably and properly those
2 functions expressly vested in the commission by statute;

3 ~~((9) To delegate any of its powers to the secretary of
4 transportation whenever it deems it desirable for the efficient
5 administration of the department and consistent with the purposes of
6 this title;~~

7 ~~(10))~~ (8) To contract with the office of financial management or
8 other appropriate state agencies for administrative support, accounting
9 services, computer services, and other support services necessary to
10 carry out its other statutory duties;

11 (9) To exercise such other specific powers and duties as may be
12 vested in the transportation commission by this or any other provision
13 of law.

14 NEW SECTION. Sec. 6. A new section is added to chapter 47.01 RCW
15 to read as follows:

16 (1) The transportation commission shall provide a forum for the
17 development of transportation policy in Washington state. It may
18 recommend to the secretary of transportation, the governor, and the
19 legislature means for obtaining appropriate citizen and professional
20 involvement in all transportation policy formulation and other matters
21 related to the powers and duties of the department. It may further
22 hold hearings and explore ways to improve the mobility of the
23 citizenry. At least every five years, the commission shall convene
24 regional forums to gather citizen input on transportation issues.

25 (2) Every two years, in coordination with the development of the
26 state biennial budget, the commission shall prepare the statewide
27 multimodal transportation progress report that outlines the
28 transportation priorities of the ensuing biennium. The report must:

29 (a) Consider the citizen input gathered at the forums;

30 (b) Be developed with the assistance of state transportation-
31 related agencies and organizations;

32 (c) Be developed with the input from state, local, and regional
33 jurisdictions, transportation service providers, and key transportation
34 stakeholders;

35 (d) Be considered by the secretary of transportation and other
36 state transportation-related agencies in preparing proposed agency
37 budgets and executive request legislation;

1 (e) Be submitted by the commission to the governor by October 1st
2 of each even-numbered year for consideration by the governor.

3 (3) In fulfilling its responsibilities under this section, the
4 commission may create ad hoc committees or other such committees of
5 limited duration as necessary.

6 (4) In order to promote a better transportation system, the
7 commission shall offer policy guidance and make recommendations to the
8 governor and the legislature in key issue areas, including but not
9 limited to:

10 (a) Transportation finance;

11 (b) Preserving, maintaining, and operating the statewide
12 transportation system;

13 (c) Transportation infrastructure needs;

14 (d) Promoting best practices for adoption and use by
15 transportation-related agencies and programs;

16 (e) Transportation efficiencies that will improve service delivery
17 and/or coordination;

18 (f) Improved planning and coordination among transportation
19 agencies and providers; and

20 (g) Use of intelligent transportation systems and other
21 technology-based solutions.

22 **Sec. 7.** RCW 47.01.101 and 1987 c 505 s 48 and 1987 c 179 s 1 are
23 each reenacted and amended to read as follows:

24 The secretary shall have the authority and it shall be his or her
25 duty(~~(, subject to policy guidance from the commission)~~):

26 (1) To serve as chief executive officer of the department with full
27 administrative authority to direct all its activities;

28 (2) To organize the department as he or she may deem necessary to
29 carry out the work and responsibilities of the department effectively;

30 (3) To designate and establish such transportation district or
31 branch offices as may be necessary or convenient, and to appoint
32 assistants and delegate any powers, duties, and functions to them or
33 any officer or employee of the department as deemed necessary to
34 administer the department efficiently;

35 (4) To direct and coordinate the programs of the various divisions
36 of the department to assure that they achieve the greatest possible

1 mutual benefit, produce a balanced overall effort, and eliminate
2 unnecessary duplication of activity;

3 (5) To adopt all department rules that are subject to the adoption
4 procedures contained in the state administrative procedure act, except
5 rules subject to adoption by the commission pursuant to statute;

6 (6) To maintain and safeguard the official records of the
7 department, including the commission's recorded resolutions and orders;

8 (7) To provide, under contract or interagency agreement, full staff
9 support to the commission to assist it in carrying out its functions,
10 powers, and duties (~~and to execute the policy established by the
11 commission pursuant to its legislative authority~~));

12 (8) To execute and implement the biennial operating budget for the
13 operation of the department in accordance with chapter 43.88 RCW and
14 with legislative appropriation (~~and, in such manner as prescribed
15 therein, to make and report to the commission and the chairs of the
16 transportation committees of the senate and house of representatives,
17 including one copy to the staff of each of the committees, deviations
18 from the planned biennial category A and H highway construction
19 programs necessary to adjust to unexpected delays or other
20 unanticipated circumstances.~~));

21 (9) To advise the governor and the legislature with respect to
22 matters under the jurisdiction of the department; and

23 (10) To exercise all other powers and perform all other duties as
24 are now or hereafter provided by law.

25 **Sec. 8.** RCW 47.05.021 and 2002 c 56 s 301 are each amended to read
26 as follows:

27 (1) The (~~transportation commission is hereby directed to~~)
28 department shall conduct periodic analyses of the entire state highway
29 system, report (~~thereon~~) to the commission and the chairs of the
30 transportation committees of the senate and house of representatives,
31 (~~including one copy to the staff of each of the committees, biennially
32 and based thereon,~~) any subsequent recommendations to subdivide,
33 classify, and subclassify (~~according to their function and
34 importance~~) all designated state highways (~~and those added from time
35 to time and periodically review and revise the classifications~~) into
36 the following three functional classes:

1 (a) The "principal arterial system" shall consist of a connected
2 network of rural arterial routes with appropriate extensions into and
3 through urban areas, including all routes designated as part of the
4 interstate system, which serve corridor movements having travel
5 characteristics indicative of substantial statewide and interstate
6 travel;

7 (b) The "minor arterial system" shall, in conjunction with the
8 principal arterial system, form a rural network of arterial routes
9 linking cities and other activity centers which generate long distance
10 travel, and, with appropriate extensions into and through urban areas,
11 form an integrated network providing interstate and interregional
12 service; and

13 (c) The "collector system" shall consist of routes which primarily
14 serve the more important intercounty, intracounty, and intraurban
15 travel corridors, collect traffic from the system of local access roads
16 and convey it to the arterial system, and on which, regardless of
17 traffic volume, the predominant travel distances are shorter than on
18 arterial routes.

19 (2) (~~In making the functional classification~~) The transportation
20 commission shall adopt (~~and~~) a functional classification of highways.
21 The commission shall consider the recommendations of the department and
22 testimony from the public and local municipalities. The commission
23 shall give consideration to criteria consistent with this section and
24 federal regulations relating to the functional classification of
25 highways, including but not limited to the following:

26 (a) Urban population centers within and without the state
27 stratified and ranked according to size;

28 (b) Important traffic generating economic activities, including but
29 not limited to recreation, agriculture, government, business, and
30 industry;

31 (c) Feasibility of the route, including availability of alternate
32 routes within and without the state;

33 (d) Directness of travel and distance between points of economic
34 importance;

35 (e) Length of trips;

36 (f) Character and volume of traffic;

37 (g) Preferential consideration for multiple service which shall
38 include public transportation;

1 (h) Reasonable spacing depending upon population density; and

2 (i) System continuity.

3 (3) The transportation commission or the legislature shall
4 designate state highways of statewide significance under RCW 47.06.140.
5 If the commission designates a state highway of statewide significance,
6 it shall submit a list of such facilities for adoption by the
7 legislature. This statewide system shall include at a minimum
8 interstate highways and other statewide principal arterials that are
9 needed to connect major communities across the state and support the
10 state's economy.

11 (4) The transportation commission shall designate a freight and
12 goods transportation system. This statewide system shall include state
13 highways, county roads, and city streets. The commission, in
14 cooperation with cities and counties, shall review and make
15 recommendations to the legislature regarding policies governing weight
16 restrictions and road closures which affect the transportation of
17 freight and goods.

18 **Sec. 9.** RCW 47.05.030 and 2002 c 5 s 402 are each amended to read
19 as follows:

20 The transportation commission shall adopt a comprehensive ((~~six-~~
21 ~~year~~)) ten-year investment program specifying program objectives and
22 performance measures for the preservation and improvement programs
23 defined in this section. In the specification of investment program
24 objectives and performance measures, the transportation commission, in
25 consultation with the Washington state department of transportation,
26 shall define and adopt standards for effective programming and
27 prioritization practices including a needs analysis process. The
28 analysis process must ensure the identification of problems and
29 deficiencies, the evaluation of alternative solutions and trade-offs,
30 and estimations of the costs and benefits of prospective projects. The
31 investment program must be revised ((~~biennially, effective on July 1st~~
32 ~~of odd numbered years~~)) based on directions by the office of financial
33 management. The investment program must be based upon the needs
34 identified in the state-owned highway component of the statewide
35 transportation plan as defined in RCW 47.01.071(3).

36 (1) The preservation program consists of those investments
37 necessary to preserve the existing state highway system and to restore

1 existing safety features, giving consideration to lowest life cycle
2 costing. The preservation program must require use of the most cost-
3 effective pavement surfaces, considering:

- 4 (a) Life-cycle cost analysis;
- 5 (b) Traffic volume;
- 6 (c) Subgrade soil conditions;
- 7 (d) Environmental and weather conditions;
- 8 (e) Materials available; and
- 9 (f) Construction factors.

10 The comprehensive (~~six-year~~) ten-year investment program for
11 preservation must identify projects for two years and an investment
12 plan for the remaining (~~four~~) eight years.

13 (2) The improvement program consists of investments needed to
14 address identified deficiencies on the state highway system to increase
15 mobility, address congestion, and improve safety, support for the
16 economy, and protection of the environment. The (~~six-year~~) ten-year
17 investment program for improvements must identify projects for two
18 years and major deficiencies proposed to be addressed in the (~~six-~~
19 ~~year~~) ten-year period giving consideration to relative benefits and
20 life cycle costing. The transportation commission shall give higher
21 priority for correcting identified deficiencies on those facilities
22 classified as facilities of statewide significance as defined in RCW
23 47.06.140. Project prioritization must be based primarily upon cost-
24 benefit analysis, where appropriate.

25 The transportation commission shall approve and present the
26 comprehensive (~~six-year~~) ten-year investment program to the governor
27 and the legislature (~~in support of the biennial budget request under~~
28 ~~RCW 44.40.070 and 44.40.080~~) as directed by the office of financial
29 management.

30 **Sec. 10.** RCW 47.05.035 and 2002 c 5 s 403 are each amended to read
31 as follows:

32 (1) The department (~~and the commission~~) shall use the
33 transportation demand modeling tools developed under subsection (2) of
34 this section to evaluate investments based on the best mode or
35 improvement, or mix of modes and improvements, to meet current and
36 future long-term demand within a corridor or system for the lowest
37 cost. The end result of these demand modeling tools is to provide a

1 cost-benefit analysis by which the department (~~and the commission~~)
2 can determine the relative mobility improvement and congestion relief
3 each mode or improvement under consideration will provide and the
4 relative investment each mode or improvement under consideration will
5 need to achieve that relief.

6 (2) The department will participate in the refinement, enhancement,
7 and application of existing transportation demand modeling tools to be
8 used to evaluate investments. This participation and use of
9 transportation demand modeling tools will be phased in.

10 (3) In developing program objectives and performance measures, the
11 (~~transportation commission~~) department shall evaluate investment
12 trade-offs between the preservation and improvement programs. In
13 making these investment trade-offs, the (~~commission~~) department shall
14 evaluate, using cost-benefit techniques, roadway and bridge maintenance
15 activities as compared to roadway and bridge preservation program
16 activities and adjust those programs accordingly.

17 (4) The (~~commission~~) department shall allocate the estimated
18 revenue between preservation and improvement programs giving primary
19 consideration to the following factors:

20 (a) The relative needs in each of the programs and the system
21 performance levels that can be achieved by meeting these needs;

22 (b) The need to provide adequate funding for preservation to
23 protect the state's investment in its existing highway system;

24 (c) The continuity of future transportation development with those
25 improvements previously programmed; and

26 (d) The availability of dedicated funds for a specific type of
27 work.

28 (5) The commission shall review the results of the department's
29 findings and shall consider those findings in the development of the
30 ten-year program.

31 **Sec. 11.** RCW 47.05.051 and 2002 c 189 s 3 are each amended to read
32 as follows:

33 (1) The comprehensive (~~six-year~~) ten-year investment program
34 shall be based upon the needs identified in the state-owned highway
35 component of the statewide multimodal transportation plan as defined in
36 RCW 47.01.071(3) and priority selection systems that incorporate the
37 following criteria:

1 (a) Priority programming for the preservation program shall take
2 into account the following, not necessarily in order of importance:
3 (i) Extending the service life of the existing highway system,
4 including using the most cost-effective pavement surfaces, considering:
5 (A) Life-cycle cost analysis;
6 (B) Traffic volume;
7 (C) Subgrade soil conditions;
8 (D) Environmental and weather conditions;
9 (E) Materials available; and
10 (F) Construction factors;
11 (ii) Ensuring the structural ability to carry loads imposed upon
12 highways and bridges; and
13 (iii) Minimizing life cycle costs. The transportation commission
14 in carrying out the provisions of this section may delegate to the
15 department of transportation the authority to select preservation
16 projects to be included in the ((~~six-year~~)) ten-year program.
17 (b) Priority programming for the improvement program must be based
18 primarily upon the following, not necessarily in order of importance:
19 (i) Traffic congestion, delay, and accidents;
20 (ii) Location within a heavily traveled transportation corridor;
21 (iii) Except for projects in cities having a population of less
22 than five thousand persons, synchronization with other potential
23 transportation projects, including transit and multimodal projects,
24 within the heavily traveled corridor; and
25 (iv) Use of benefit/cost analysis wherever feasible to determine
26 the value of the proposed project.
27 (c) Priority programming for the improvement program may also take
28 into account:
29 (i) Support for the state's economy, including job creation and job
30 preservation;
31 (ii) The cost-effective movement of people and goods;
32 (iii) Accident and accident risk reduction;
33 (iv) Protection of the state's natural environment;
34 (v) Continuity and systematic development of the highway
35 transportation network;
36 (vi) Consistency with local comprehensive plans developed under
37 chapter 36.70A RCW including the following if they have been included
38 in the comprehensive plan:

1 (A) Support for development in and revitalization of existing
2 downtowns;

3 (B) Extent that development implements local comprehensive plans
4 for rural and urban residential and nonresidential densities;

5 (C) Extent of compact, transit-oriented development for rural and
6 urban residential and nonresidential densities;

7 (D) Opportunities for multimodal transportation; and

8 (E) Extent to which the project accommodates planned growth and
9 economic development;

10 (vii) Consistency with regional transportation plans developed
11 under chapter 47.80 RCW;

12 (viii) Public views concerning proposed improvements;

13 (ix) The conservation of energy resources;

14 (x) Feasibility of financing the full proposed improvement;

15 (xi) Commitments established in previous legislative sessions;

16 (xii) Relative costs and benefits of candidate programs.

17 (d) Major projects addressing capacity deficiencies which
18 prioritize allowing for preliminary engineering shall be reprioritized
19 during the succeeding biennium, based upon updated project data.
20 Reprioritized projects may be delayed or canceled by the transportation
21 commission if higher priority projects are awaiting funding.

22 (e) Major project approvals which significantly increase a
23 project's scope or cost from original prioritization estimates shall
24 include a review of the project's estimated revised priority rank and
25 the level of funding provided. Projects may be delayed or canceled by
26 the transportation commission if higher priority projects are awaiting
27 funding.

28 (2) The commission may depart from the priority programming
29 established under subsection (1) of this section: (a) To the extent
30 that otherwise funds cannot be utilized feasibly within the program;
31 (b) as may be required by a court judgment, legally binding agreement,
32 or state and federal laws and regulations; (c) as may be required to
33 coordinate with federal, local, or other state agency construction
34 projects; (d) to take advantage of some substantial financial benefit
35 that may be available; (e) for continuity of route development; or (f)
36 because of changed financial or physical conditions of an unforeseen or
37 emergent nature. The commission or secretary of transportation shall

1 maintain in its files information sufficient to show the extent to
2 which the commission has departed from the established priority.

3 (3) The commission shall identify those projects that yield freight
4 mobility benefits or that alleviate the impacts of freight mobility
5 upon affected communities.

6 **Transportation Policy Institute**

7 NEW SECTION. **Sec. 12.** A new section is added to chapter 47.01 RCW
8 to read as follows:

9 (1) The transportation policy institute is established within the
10 transportation commission. The institute shall conduct research,
11 prepare studies, and periodically submit recommendations to the
12 legislature, governor, and transportation commission regarding
13 transportation policy issues of statewide significance.

14 To this end, the purposes of the institute include:

15 (a) To conduct research on transportation policy and programs for
16 the governor, the legislature, the transportation commission, and the
17 transportation performance audit board;

18 (b) To educate and promote the dissemination of transportation
19 research to the public, and to state and local government policymakers
20 including legislators and associated staff; and

21 (c) To serve as a repository of federal, state, local, and private
22 transportation research on financing and programming.

23 (2) The institute is governed by a board of directors composed of
24 (a) the chairs and ranking minority members of the transportation
25 committees of the legislature, or their designees, (b) the chair and
26 vicechair of the transportation commission, and (c) the secretary of
27 transportation. The executive director of the Washington state
28 transportation center shall serve on the board as an ex officio
29 nonvoting member. The staff coordinators of the transportation
30 committees of the house and senate shall serve on the board as ex
31 officio nonvoting members. The board of directors shall establish the
32 research priorities of the institute. The board shall meet
33 periodically and may schedule regular meetings during the legislative
34 interim. The board may adopt rules and procedures necessary for its
35 orderly operation. To the extent funds are appropriated, the
36 transportation commission shall provide staff support to the institute,

1 and the transportation commission administrator shall also serve as
2 administrator for the institute. The administrator, subject to the
3 approval of the commission, may contract with and consult with private
4 independent professional and technical experts to conduct studies
5 directed by the institute.

6 (3) The institute may establish working groups to conduct specific
7 research in order to report back to the institute regarding
8 recommendations as appropriate. The institute may appoint to a working
9 group any member of the transportation committees of the legislature,
10 or any nonlegislators, as deemed appropriate.

11 (4) Legislative members of the institute and its working groups
12 will receive allowances while attending meetings of the institute,
13 including working group meetings, and while engaged in other authorized
14 business of the institute, as provided in RCW 44.04.120.
15 Nonlegislative members of the institute and its working groups will
16 receive allowances as provided in RCW 43.03.050 and 43.03.060.

17 **Transportation Performance Audits**

18 **Sec. 13.** RCW 44.75.020 and 2003 c 362 s 2 are each amended to read
19 as follows:

20 The definitions in this section apply throughout this chapter.

21 (1) "Economy and efficiency audit" has the meaning contained in
22 chapter 44.28 RCW.

23 ~~(("Joint legislative audit and review committee" means the
24 agency created in chapter 44.28 RCW, or its statutory successor.~~

25 ~~(3))~~ "Legislative auditor" has the meaning contained in chapter
26 44.28 RCW.

27 ~~((4) "Legislative transportation committee" means the agency
28 created in chapter 44.40 RCW, or its statutory successor.~~

29 ~~(5))~~ (3) "Performance audit" has the meaning contained in chapter
30 44.28 RCW.

31 ~~((6))~~ (4) "Performance review" means an outside evaluation of how
32 a state agency uses its performance measures to assess the outcomes of
33 its legislatively authorized activities.

34 ~~((7))~~ (5) "Program audit" has the meaning contained in chapter
35 44.28 RCW.

1 ~~((8))~~ (6) "Transportation performance audit board" or "board"
2 means the board created in RCW 44.75.030.

3 ~~((9))~~ (7) "Transportation-related agencies" or "agency" means any
4 state or local agency, board, special purpose district, or commission
5 that receives or generates funding primarily for transportation-related
6 purposes. At a minimum, the department of transportation, the
7 Washington state patrol, the department of licensing, the
8 transportation improvement board or its successor entity, the county
9 road administration board or its successor entity, and the traffic
10 safety commission are considered transportation-related agencies.
11 Counties, cities, and port districts are not transportation-related
12 agencies under this subsection.

13 **Sec. 14.** RCW 44.75.030 and 2003 c 362 s 3 are each amended to read
14 as follows:

15 (1) The transportation performance audit board is created.

16 (2) The board will consist of four legislative members, ~~((five))~~
17 three citizen members with transportation-related expertise, two
18 citizen members with performance measurement expertise, one member of
19 the transportation commission, one ex officio nonvoting member, and one
20 at large member. The legislative auditor is the ex officio nonvoting
21 member. The majority and minority leaders of the house and senate
22 transportation committees, or their designees, are the legislative
23 members. The governor shall appoint the at large member to serve for
24 a term of four years. The citizen members must be ~~((nominated by~~
25 ~~professional associations chosen by the board's legislative members~~
26 ~~and))~~ appointed by the governor for terms of four years, except that at
27 least half the initial appointments will be for terms of two years.
28 The citizen members may not be currently, or within one year, employed
29 by the Washington state department of transportation. The ~~((citizen~~
30 ~~members will consist of))~~ governor, when appointing the citizen members
31 with transportation-related expertise, may consult with appropriate
32 professional associations and shall consider the following
33 transportation-related experiences:

34 (a) ~~((One member with expertise in))~~ Construction project planning,
35 including permitting and assuring regulatory compliance;

36 (b) ~~((One member with expertise in))~~ Construction means and methods

1 and construction management, crafting and implementing environmental
2 mitigation plans, and administration;

3 (c) (~~One member with expertise in~~) Construction engineering
4 services, including construction management, materials testing,
5 materials documentation, contractor payments, inspection, surveying,
6 and project oversight;

7 (d) (~~One member with expertise in~~) Project management, including
8 design estimating, contract packaging, and procurement; and

9 (e) (~~One member with expertise in~~) Transportation planning and
10 congestion management.

11 (3) The governor may not remove members from the board before the
12 expiration of their terms unless for cause based upon a determination
13 of incapacity, incompetence, neglect of duty, of malfeasance in office
14 by the Thurston county superior court, upon petition and show cause
15 proceedings brought for that purpose in that court and directed to the
16 board member in question.

17 (4) No member may be appointed for more than three consecutive
18 terms.

19 **Sec. 15.** RCW 44.75.040 and 2003 c 362 s 4 are each amended to read
20 as follows:

21 (1) The board shall meet periodically. It may adopt its own rules
22 and may establish its own procedures. It shall act collectively in
23 harmony with recorded resolutions or motions adopted by a majority vote
24 of the members.

25 (2) Each member of the transportation performance audit board will
26 be compensated from the general appropriation for the (~~legislative~~)
27 transportation (~~committee~~) commission in accordance with RCW
28 43.03.250 and reimbursed for actual necessary traveling and other
29 expenses in going to, attending, and returning from meetings of the
30 board or that are incurred in the discharge of duties requested by the
31 chair. However, in no event may a board member be compensated in any
32 year for more than one hundred twenty days, except the chair may be
33 compensated for not more than one hundred fifty days. Service on the
34 board does not qualify as a service credit for the purposes of a public
35 retirement system.

36 (3) The transportation performance audit board shall keep proper

1 records and is subject to audit by the state auditor or other auditing
2 entities.

3 (4) Staff support to the transportation performance audit board
4 must be provided by the (~~legislative~~) transportation (~~committee~~)
5 commission, which shall provide professional support for the duties,
6 functions, responsibilities, and activities of the board, including but
7 not limited to information technology systems; data collection,
8 processing, analysis, and reporting; project management; and office
9 space, equipment, and secretarial support. (~~The legislative~~
10 ~~evaluation and accountability program will provide data and information~~
11 ~~technology support consistent with the support currently supplied to~~
12 ~~existing legislative committees.~~) Additionally, the commission shall
13 designate, subject to board approval, a staff person to serve as the
14 board administrator. The board administrator serves as an exempt
15 employee and at the pleasure of the board.

16 (5) Each member of the transportation performance audit board shall
17 disclose any actual or potential conflict of interest, if applicable
18 under the circumstance, regarding all performance reviews and
19 performance audits conducted under this chapter.

20 **Sec. 16.** RCW 44.75.050 and 2003 c 362 s 5 are each amended to read
21 as follows:

22 (1) The transportation performance audit board may review the
23 performance and outcome measures of transportation-related agencies.
24 The purpose of these reviews is to ensure that the legislature has the
25 means to adequately and accurately assess the performance and outcomes
26 of those agencies and departments. Where two or more agencies have
27 shared responsibility for functions or priorities of government, these
28 reviews can also determine whether effective interagency cooperation
29 and collaboration occurs in areas such as program coordination,
30 administrative structures, information systems, and administration of
31 grants and loans.

32 (2) The board shall, as soon as practicable, conduct a review of
33 the comprehensive ten-year investment program process, including the
34 required criteria, under RCW 47.05.030 and 47.05.051.

35 (3) In conducting these reviews, the transportation performance
36 audit board may work in consultation with the (~~legislative~~

1 ~~transportation committee, the~~) joint legislative audit and review
2 committee, the office of financial management, and other state
3 agencies.

4 **Sec. 17.** RCW 44.75.080 and 2003 c 362 s 8 are each amended to read
5 as follows:

6 After reviewing the performance or outcome measures and benchmarks
7 of an agency or department, or at any time it so determines, the
8 transportation performance audit board shall ~~((recommend to the
9 executive committee of the legislative transportation committee
10 whether))~~ direct a full performance or functional audit of the agency
11 or department, or a specific program within the agency or department ~~((
12 is appropriate. Upon the request of the legislative transportation
13 committee or its executive committee, the joint legislative audit and
14 review committee shall add the full performance or functional audit to
15 its biennial performance audit work plan. If the request duplicates or
16 overlaps audits already in the work plan, or was performed under the
17 previous biennial work plan, the executive committees of the
18 legislative transportation committee and the joint legislative audit
19 and review committee shall meet to discuss and resolve the duplication
20 or overlap))~~).

21 **Sec. 18.** RCW 44.75.090 and 2003 c 362 s 9 are each amended to read
22 as follows:

23 ~~((1))~~ To the greatest extent possible, ~~((or when requested by the
24 executive committee of the legislative transportation committee))~~ and
25 to the extent funds are appropriated, the ~~((legislative auditor))~~ board
26 administrator shall, subject to board approval, contract with and
27 consult with private independent professional and technical experts to
28 optimize the independence of the reviews and performance audits. In
29 determining the need to contract with private experts, the
30 ~~((legislative auditor))~~ board administrator shall consider the degree
31 of difficulty of the review or audit, the relative cost of contracting
32 for expertise, and the need to maintain auditor independence from the
33 subject agency or program. The board administrator may, subject to
34 board approval, contract with the legislative auditor to serve as the
35 contract manager of the reviews and performance audits.

1 ~~((2) After consultation with the executive committee of the~~
2 ~~legislative transportation committee on the appropriateness of costs,~~
3 ~~the legislative transportation committee shall reimburse the joint~~
4 ~~legislative audit and review committee or the legislative auditor for~~
5 ~~the costs of carrying out any requested performance audits, including~~
6 ~~the cost of contracts and consultant services.~~

7 ~~(3) The executive committee of the legislative transportation~~
8 ~~committee must review and approve the methodology for performance~~
9 ~~audits recommended by the transportation performance audit board.))~~

10 **Sec. 19.** RCW 44.75.100 and 2003 c 362 s 10 are each amended to
11 read as follows:

12 (1) Before releasing the results of a performance audit originally
13 directed by the transportation performance audit board to the
14 legislature or the public, the board administrator shall submit the
15 preliminary performance audit report to the transportation performance
16 audit board for review and comments solely on the management of the
17 audit. Any comments by the transportation performance audit board must
18 be included as a separate addendum to the final performance audit
19 report. However, the board administrator is not required to submit the
20 preliminary performance audit report if the legislative auditor submits
21 it under RCW 44.28.088.

22 (2) Completed performance audits must be presented to the
23 transportation performance audit board ((and the legislative
24 transportation committee)). Published performance audits must be made
25 available to the public through the ((legislative transportation
26 committee and the joint legislative audit and review committee's))
27 board's web site and through customary public communications. Final
28 reports must also be transmitted to the affected agency, the director
29 of financial management, and the appropriate policy and fiscal standing
30 committees of the legislature.

31 **Sec. 20.** RCW 44.75.110 and 2003 c 362 s 11 are each amended to
32 read as follows:

33 The ~~((legislative auditor))~~ board administrator, or the legislative
34 auditor if contracted under RCW 44.75.090, shall determine in writing
35 the scope of any performance audit ((requested)) directed by the
36 ~~((legislative transportation committee or its executive committee))~~

1 transportation performance audit board, subject to the review and
2 approval of the final scope of the audit by the transportation
3 performance audit board(~~(, and the legislative transportation committee~~
4 ~~or its executive committee)~~). In doing so, the (~~legislative~~
5 ~~auditor,~~) board administrator, or legislative auditor if contracted
6 under RCW 44.75.090, and the transportation performance audit board(~~(,~~
7 ~~and the legislative transportation committee or its executive~~
8 ~~committee)~~) shall consider inclusion of the following elements in the
9 scope of the audit:

- 10 (1) Identification of potential cost savings in the agency, its
11 programs, and its services;
- 12 (2) Identification and recognition of best practices;
- 13 (3) Identification of funding to the agency, to programs, and to
14 services that can be eliminated or reduced;
- 15 (4) Identification of programs and services that can be eliminated,
16 reduced, or transferred to the private sector;
- 17 (5) Analysis of gaps and overlaps in programs and services and
18 recommendations for improving, dropping, blending, or separating
19 functions to correct gaps or overlaps;
- 20 (6) Analysis and recommendations for pooling information technology
21 systems;
- 22 (7) Analysis of the roles and functions of the agency, its
23 programs, and its services and their compliance with statutory
24 authority and recommendations for eliminating or changing those roles
25 and functions and ensuring compliance with statutory authority;
- 26 (8) Recommendations for eliminating or changing statutes, rules,
27 and policy directives as may be necessary to ensure that the agency
28 carry out reasonably and properly those functions expressly vested in
29 the department by statute; and
- 30 (9) Verification of the reliability and validity of department
31 performance data, self-assessments, and performance measurement systems
32 as required under RCW 43.88.090.

33 **Sec. 21.** RCW 44.75.120 and 2003 c 362 s 12 are each amended to
34 read as follows:

35 When conducting a full performance audit of an agency or
36 department, or a specific program within an agency or department, or
37 multiple agencies, in accordance with RCW 44.75.110, the (~~legislative~~

1 ~~auditor~~) board administrator shall solicit input from appropriate
2 industry representatives or experts. The audit report must make
3 recommendations regarding the continuation, abolition, consolidation,
4 or reorganization of each affected agency, department, or program. The
5 audit report must identify opportunities to develop government
6 partnerships, and eliminate program redundancies that will result in
7 increased quality, effectiveness, and efficiency of state agencies.

8 **Sec. 22.** RCW 44.28.161 and 2003 c 362 s 13 are each amended to
9 read as follows:

10 In addition to any other audits developed or included in the audit
11 work plan under this chapter, the legislative auditor shall manage
12 transportation-related performance audits (~~(directed by the executive~~
13 ~~committee of the legislative transportation committee under RCW~~
14 ~~44.75.080. If directed to perform or contract for audit services under~~
15 ~~RCW 44.75.080, the legislative auditor or joint legislative audit and~~
16 ~~review committee will receive from the legislative transportation~~
17 ~~committee an interagency reimbursement equal to the cost of the~~
18 ~~contract or audit services)) if contracted to do so under RCW
19 44.75.090.~~

20 **Transfer**

21 NEW SECTION. **Sec. 23.** (1)(a) All reports, documents, surveys,
22 books, records, files, papers, or written material in the possession of
23 the legislative transportation committee shall be delivered to the
24 custody of the transportation commission for the exclusive support of
25 the transportation policy institute. All cabinets, furniture, office
26 equipment, motor vehicles, and other tangible property employed by the
27 legislative transportation committee shall be made available to the
28 transportation commission for the exclusive support of the
29 transportation policy institute. All funds, credits, or other assets
30 held by the legislative transportation committee shall be assigned to
31 the transportation commission for the exclusive support of the
32 transportation policy institute.

33 (b) Any appropriations made to the legislative transportation
34 committee shall, on the effective date of this section, be transferred

1 and credited to the transportation commission for the exclusive support
2 of the transportation policy institute.

3 (c) If any question arises as to the transfer of any personnel,
4 funds, books, documents, records, papers, files, equipment, or other
5 tangible property used or held in the exercise of the powers and the
6 performance of the duties and functions transferred, the director of
7 financial management shall make a determination as to the proper
8 allocation and certify the same to the state agencies concerned.

9 (2) All employees of the legislative transportation committee are
10 transferred to the jurisdiction of the transportation commission for
11 the exclusive support of the transportation policy institute. However,
12 the commission may, if staffing needs warrant, assign the employees to
13 other commission functions.

14 (3) All existing contracts and obligations shall remain in full
15 force and shall be performed by the transportation commission.

16 (4) If apportionments of budgeted funds are required because of the
17 transfers directed by this section, the director of financial
18 management shall certify the apportionments to the agencies affected,
19 the state auditor, and the state treasurer. Each of these shall make
20 the appropriate transfer and adjustments in funds and appropriation
21 accounts and equipment records in accordance with the certification.

22 **References to LTC**

23 **Sec. 101.** RCW 35.58.2796 and 1989 c 396 s 2 are each amended to
24 read as follows:

25 The department of transportation shall develop an annual report
26 summarizing the status of public transportation systems in the state.
27 By September 1st of each year, copies of the report shall be submitted
28 to the ~~((legislative transportation committee))~~ transportation
29 committees of the legislature and to each municipality, as defined in
30 RCW 35.58.272, and to individual members of the municipality's
31 legislative authority. ~~((The department shall prepare and submit a~~
32 ~~preliminary report by December 1, 1989.))~~

33 To assist the department with preparation of the report, each
34 municipality shall file a system report by April 1st of each year with
35 the state department of transportation identifying its public
36 transportation services for the previous calendar year and its

1 objectives for improving the efficiency and effectiveness of those
2 services. The system report shall address those items required for
3 each public transportation system in the department's report.

4 The department report shall describe individual public
5 transportation systems, including contracted transportation services
6 and dial-a-ride services, and include a statewide summary of public
7 transportation issues and data. The descriptions shall include the
8 following elements and such other elements as the department deems
9 appropriate after consultation with the municipalities and the
10 (~~legislative transportation committee~~) transportation committees of
11 the legislature:

12 (1) Equipment and facilities, including vehicle replacement
13 standards;

14 (2) Services and service standards;

15 (3) Revenues, expenses, and ending balances, by fund source;

16 (4) Policy issues and system improvement objectives, including
17 community participation in development of those objectives and how
18 those objectives address statewide transportation priorities;

19 (5) Operating indicators applied to public transportation services,
20 revenues, and expenses. Operating indicators shall include operating
21 cost per passenger trip, operating cost per revenue vehicle service
22 hour, passenger trips per revenue service hour, passenger trips per
23 vehicle service mile, vehicle service hours per employee, and farebox
24 revenue as a percent of operating costs.

25 **Sec. 102.** RCW 36.78.070 and 1999 c 269 s 1 are each amended to
26 read as follows:

27 The county road administration board shall:

28 (1) Establish by rule, standards of good practice for the
29 administration of county roads and the efficient movement of people and
30 goods over county roads;

31 (2) Establish reporting requirements for counties with respect to
32 the standards of good practice adopted by the board;

33 (3) Receive and review reports from counties and reports from its
34 executive director to determine compliance with legislative directives
35 and the standards of good practice adopted by the board;

36 (4) Advise counties on issues relating to county roads and the safe

1 and efficient movement of people and goods over county roads and assist
2 counties in developing uniform and efficient transportation-related
3 information technology resources;

4 (5) Report annually before the fifteenth day of January, and
5 throughout the year as appropriate, to the state department of
6 transportation and to the chairs of the (~~legislative transportation~~
7 ~~committee and the~~) house and senate transportation committees, and to
8 other entities as appropriate on the status of county road
9 administration in each county, including one copy to the staff of each
10 of the committees. The annual report shall contain recommendations for
11 improving administration of the county road programs;

12 (6) Administer the rural arterial program established by chapter
13 36.79 RCW and the program funded by the county arterial preservation
14 account established by RCW 46.68.090, as well as any other programs
15 provided for in law.

16 **Sec. 103.** RCW 41.40.037 and 2004 c 242 s 63 are each amended to
17 read as follows:

18 (1)(a) If a retiree enters employment with an employer sooner than
19 one calendar month after his or her accrual date, the retiree's monthly
20 retirement allowance will be reduced by five and one-half percent for
21 every eight hours worked during that month. This reduction will be
22 applied each month until the retiree remains absent from employment
23 with an employer for one full calendar month.

24 (b) The benefit reduction provided in (a) of this subsection will
25 accrue for a maximum of one hundred sixty hours per month. Any benefit
26 reduction over one hundred percent will be applied to the benefit the
27 retiree is eligible to receive in subsequent months.

28 (2)(a) Except as provided in (b) of this subsection, a retiree from
29 plan 1 who enters employment with an employer at least one calendar
30 month after his or her accrual date may continue to receive pension
31 payments while engaged in such service for up to eight hundred sixty-
32 seven hours of service in a calendar year without a reduction of
33 pension.

34 (b) A retiree from plan 1 who enters employment with an employer at
35 least three calendar months after his or her accrual date and:

36 (i) Is hired into a position for which the employer has documented
37 a justifiable need to hire a retiree into the position;

1 (ii) Is hired through the established process for the position with
2 the approval of: A school board for a school district; the chief
3 executive officer of a state agency employer; the secretary of the
4 senate for the senate; the chief clerk of the house of representatives
5 for the house of representatives; the secretary of the senate and the
6 chief clerk of the house of representatives jointly for the joint
7 legislative audit and review committee, (~~the legislative~~
8 ~~transportation committee,~~) the joint committee on pension policy, the
9 legislative evaluation and accountability program, the legislative
10 systems committee, and the statute law committee; or according to rules
11 adopted for the rehiring of retired plan 1 members for a local
12 government employer;

13 (iii) The employer retains records of the procedures followed and
14 decisions made in hiring the retiree, and provides those records in the
15 event of an audit; and

16 (iv) The employee has not already rendered a cumulative total of
17 more than one thousand nine hundred hours of service while in receipt
18 of pension payments beyond an annual threshold of eight hundred sixty-
19 seven hours;

20 shall cease to receive pension payments while engaged in that service
21 after the retiree has rendered service for more than one thousand five
22 hundred hours in a calendar year. The one thousand nine hundred hour
23 cumulative total under this subsection applies prospectively to those
24 retiring after July 27, 2003, and retroactively to those who retired
25 prior to July 27, 2003, and shall be calculated from the date of
26 retirement.

27 (c) When a plan 1 member renders service beyond eight hundred
28 sixty-seven hours, the department shall collect from the employer the
29 applicable employer retirement contributions for the entire duration of
30 the member's employment during that calendar year.

31 (d) A retiree from plan 2 or plan 3 who has satisfied the break in
32 employment requirement of subsection (1) of this section may work up to
33 eight hundred sixty-seven hours in a calendar year in an eligible
34 position, as defined in RCW 41.32.010, 41.35.010, 41.37.010, or
35 41.40.010, or as a fire fighter or law enforcement officer, as defined
36 in RCW 41.26.030, without suspension of his or her benefit.

37 (3) If the retiree opts to reestablish membership under RCW
38 41.40.023(12), he or she terminates his or her retirement status and

1 becomes a member. Retirement benefits shall not accrue during the
2 period of membership and the individual shall make contributions and
3 receive membership credit. Such a member shall have the right to again
4 retire if eligible in accordance with RCW 41.40.180. However, if the
5 right to retire is exercised to become effective before the member has
6 rendered two uninterrupted years of service, the retirement formula and
7 survivor options the member had at the time of the member's previous
8 retirement shall be reinstated.

9 (4) The department shall collect and provide the state actuary with
10 information relevant to the use of this section for the select
11 committee on pension policy.

12 (5) The legislature reserves the right to amend or repeal this
13 section in the future and no member or beneficiary has a contractual
14 right to be employed for more than five months in a calendar year
15 without a reduction of his or her pension.

16 **Sec. 104.** RCW 43.10.101 and 1995 2nd sp.s. c 14 s 527 are each
17 amended to read as follows:

18 The attorney general shall prepare annually a report to the
19 (~~legislative transportation committee~~) transportation committees of
20 the legislature, the transportation commission, and the transportation
21 performance audit board comprising a comprehensive summary of all cases
22 involving tort claims against the department of transportation
23 involving highways which were concluded and closed in the previous
24 calendar year. The report shall include for each case closed:

- 25 (1) A summary of the factual background of the case;
- 26 (2) Identification of the attorneys representing the state and the
27 opposing parties;
- 28 (3) A synopsis of the legal theories asserted and the defenses
29 presented;
- 30 (4) Whether the case was tried, settled, or dismissed, and in whose
31 favor;
- 32 (5) The approximate number of attorney hours expended by the state
33 on the case, together with the corresponding dollar amount billed
34 therefore; and
- 35 (6) Such other matters relating to the case as the attorney general
36 deems relevant or appropriate, especially including any comments or

1 recommendations for changes in statute law or agency practice that
2 might effectively reduce the exposure of the state to such tort claims.

3 **Sec. 105.** RCW 43.79.270 and 1998 c 177 s 1 are each amended to
4 read as follows:

5 (1) Whenever any money, from the federal government, or from other
6 sources, which was not anticipated in the budget approved by the
7 legislature has actually been received and is designated to be spent
8 for a specific purpose, the head of any department, agency, board, or
9 commission through which such expenditure shall be made is to submit to
10 the governor a statement which may be in the form of a request for an
11 allotment amendment setting forth the facts constituting the need for
12 such expenditure and the estimated amount to be expended: PROVIDED,
13 That no expenditure shall be made in excess of the actual amount
14 received, and no money shall be expended for any purpose except the
15 specific purpose for which it was received. A copy of any proposal
16 submitted to the governor to expend money from an appropriated fund or
17 account in excess of appropriations provided by law which is based on
18 the receipt of unanticipated revenues shall be submitted to the joint
19 legislative audit and review committee and also to the standing
20 committees on ways and means of the house and senate if the legislature
21 is in session at the same time as it is transmitted to the governor.

22 (2) Notwithstanding subsection (1) of this section, whenever money
23 from any source that was not anticipated in the transportation budget
24 approved by the legislature has actually been received and is
25 designated to be spent for a specific purpose, the head of a
26 department, agency, board, or commission through which the expenditure
27 must be made shall submit to the governor a statement, which may be in
28 the form of a request for an allotment amendment, setting forth the
29 facts constituting the need for the expenditure and the estimated
30 amount to be expended. However, no expenditure may be made in excess
31 of the actual amount received, and no money may be expended for any
32 purpose except the specific purpose for which it was received. A copy
33 of any proposal submitted to the governor to expend money from an
34 appropriated transportation fund or account in excess of appropriations
35 provided by law that is based on the receipt of unanticipated revenues
36 must be submitted, at a minimum, to the standing committees on
37 transportation of the house and senate(~~(, if the legislature is in~~

1 ~~session,)) at the same time as it is transmitted to the governor.~~
2 ~~((During the legislative interim, any such proposal must be submitted~~
3 ~~to the legislative transportation committee.))~~

4 **Sec. 106.** RCW 43.79.280 and 1998 c 177 s 2 are each amended to
5 read as follows:

6 (1) If the governor approves such estimate in whole or part, he
7 shall endorse on each copy of the statement his approval, together with
8 a statement of the amount approved in the form of an allotment
9 amendment, and transmit one copy to the head of the department, agency,
10 board, or commission authorizing the expenditure. An identical copy of
11 the governor's statement of approval and a statement of the amount
12 approved for expenditure shall be transmitted simultaneously to the
13 joint legislative audit and review committee and also to the standing
14 committee on ways and means of the house and senate of all executive
15 approvals of proposals to expend money in excess of appropriations
16 provided by law.

17 (2) If the governor approves an estimate with transportation
18 funding implications, in whole or part, he shall endorse on each copy
19 of the statement his approval, together with a statement of the amount
20 approved in the form of an allotment amendment, and transmit one copy
21 to the head of the department, agency, board, or commission authorizing
22 the expenditure. An identical copy of the governor's statement of
23 approval of a proposal to expend transportation money in excess of
24 appropriations provided by law and a statement of the amount approved
25 for expenditure must be transmitted simultaneously to the standing
26 committees on transportation of the house and senate. ~~((During the~~
27 ~~legislative interim, all estimate approvals endorsed by the governor~~
28 ~~along with a statement of the amount approved in the form of an~~
29 ~~allotment amendment must be transmitted simultaneously to the~~
30 ~~legislative transportation committee.))~~

31 **Sec. 107.** RCW 43.88.020 and 2000 2nd sp.s. c 4 s 11 are each
32 amended to read as follows:

33 (1) "Budget" means a proposed plan of expenditures for a given
34 period or purpose and the proposed means for financing these
35 expenditures.

1 (2) "Budget document" means a formal statement, either written or
2 provided on any electronic media or both, offered by the governor to
3 the legislature, as provided in RCW 43.88.030.

4 (3) "Director of financial management" means the official appointed
5 by the governor to serve at the governor's pleasure and to whom the
6 governor may delegate necessary authority to carry out the governor's
7 duties as provided in this chapter. The director of financial
8 management shall be head of the office of financial management which
9 shall be in the office of the governor.

10 (4) "Agency" means and includes every state office, officer, each
11 institution, whether educational, correctional, or other, and every
12 department, division, board, and commission, except as otherwise
13 provided in this chapter.

14 (5) "Public funds", for purposes of this chapter, means all moneys,
15 including cash, checks, bills, notes, drafts, stocks, and bonds,
16 whether held in trust, for operating purposes, or for capital purposes,
17 and collected or disbursed under law, whether or not such funds are
18 otherwise subject to legislative appropriation, including funds
19 maintained outside the state treasury.

20 (6) "Regulations" means the policies, standards, and requirements,
21 stated in writing, designed to carry out the purposes of this chapter,
22 as issued by the governor or the governor's designated agent, and which
23 shall have the force and effect of law.

24 (7) "Ensuing biennium" means the fiscal biennium beginning on July
25 1st of the same year in which a regular session of the legislature is
26 held during an odd-numbered year pursuant to Article II, section 12 of
27 the Constitution and which biennium next succeeds the current biennium.

28 (8) "Dedicated fund" means a fund in the state treasury, or a
29 separate account or fund in the general fund in the state treasury,
30 that by law is dedicated, appropriated, or set aside for a limited
31 object or purpose; but "dedicated fund" does not include a revolving
32 fund or a trust fund.

33 (9) "Revolving fund" means a fund in the state treasury,
34 established by law, from which is paid the cost of goods or services
35 furnished to or by a state agency, and which is replenished through
36 charges made for such goods or services or through transfers from other
37 accounts or funds.

1 (10) "Trust fund" means a fund in the state treasury in which
2 designated persons or classes of persons have a vested beneficial
3 interest or equitable ownership, or which was created or established by
4 a gift, grant, contribution, devise, or bequest that limits the use of
5 the fund to designated objects or purposes.

6 (11) "Administrative expenses" means expenditures for: (a)
7 Salaries, wages, and related costs of personnel and (b) operations and
8 maintenance including but not limited to costs of supplies, materials,
9 services, and equipment.

10 (12) "Fiscal year" means the year beginning July 1st and ending the
11 following June 30th.

12 (13) "Lapse" means the termination of authority to expend an
13 appropriation.

14 (14) "Legislative fiscal committees" means the joint legislative
15 audit and review committee, the legislative evaluation and
16 accountability program committee, and the ways and means and
17 transportation committees of the senate and house of representatives(~~(~~
18 ~~and, where appropriate, the legislative transportation committee)~~)).

19 (15) "Fiscal period" means the period for which an appropriation is
20 made as specified within the act making the appropriation.

21 (16) "Primary budget driver" means the primary determinant of a
22 budget level, other than a price variable, which causes or is
23 associated with the major expenditure of an agency or budget unit
24 within an agency, such as a caseload, enrollment, workload, or
25 population statistic.

26 (17) "State tax revenue limit" means the limitation created by
27 chapter 43.135 RCW.

28 (18) "General state revenues" means the revenues defined by Article
29 VIII, section 1(c) of the state Constitution.

30 (19) "Annual growth rate in real personal income" means the
31 estimated percentage growth in personal income for the state during the
32 current fiscal year, expressed in constant value dollars, as published
33 by the office of financial management or its successor agency.

34 (20) "Estimated revenues" means estimates of revenue in the most
35 recent official economic and revenue forecast prepared under RCW
36 82.33.020, and prepared by the office of financial management for those
37 funds, accounts, and sources for which the office of the economic and
38 revenue forecast council does not prepare an official forecast

1 (~~including estimates of revenues to support financial plans under RCW~~
2 ~~44.40.070~~)), that are prepared by the office of financial management in
3 consultation with the transportation revenue forecast council.

4 (21) "Estimated receipts" means the estimated receipt of cash in
5 the most recent official economic and revenue forecast prepared under
6 RCW 82.33.020, and prepared by the office of financial management for
7 those funds, accounts, and sources for which the office of the economic
8 and revenue forecast council does not prepare an official forecast.

9 (22) "State budgeting, accounting, and reporting system" means a
10 system that gathers, maintains, and communicates fiscal information.
11 The system links fiscal information beginning with development of
12 agency budget requests through adoption of legislative appropriations
13 to tracking actual receipts and expenditures against approved plans.

14 (23) "Allotment of appropriation" means the agency's statement of
15 proposed expenditures, the director of financial management's review of
16 that statement, and the placement of the approved statement into the
17 state budgeting, accounting, and reporting system.

18 (24) "Statement of proposed expenditures" means a plan prepared by
19 each agency that breaks each appropriation out into monthly detail
20 representing the best estimate of how the appropriation will be
21 expended.

22 (25) "Undesignated fund balance (or deficit)" means unreserved and
23 undesignated current assets or other resources available for
24 expenditure over and above any current liabilities which are expected
25 to be incurred by the close of the fiscal period.

26 (26) "Internal audit" means an independent appraisal activity
27 within an agency for the review of operations as a service to
28 management, including a systematic examination of accounting and fiscal
29 controls to assure that human and material resources are guarded
30 against waste, loss, or misuse; and that reliable data are gathered,
31 maintained, and fairly disclosed in a written report of the audit
32 findings.

33 (27) "Performance verification" means an analysis that (a) verifies
34 the accuracy of data used by state agencies in quantifying intended
35 results and measuring performance toward those results, and (b)
36 verifies whether or not the reported results were achieved.

37 (28) "Performance audit" has the same meaning as it is defined in
38 RCW 44.28.005.

1 **Sec. 108.** RCW 43.88.030 and 2004 c 276 s 908 are each amended to
2 read as follows:

3 (1) The director of financial management shall provide all agencies
4 with a complete set of instructions for submitting biennial budget
5 requests to the director at least three months before agency budget
6 documents are due into the office of financial management. (~~The~~
7 ~~director shall provide agencies and committees that are required under~~
8 ~~RCW 44.40.070 to develop comprehensive six-year program and financial~~
9 ~~plans with a complete set of instructions for submitting these program~~
10 ~~and financial plans at the same time that instructions for submitting~~
11 ~~other budget requests are provided.)) The budget document or documents
12 shall consist of the governor's budget message which shall be
13 explanatory of the budget and shall contain an outline of the proposed
14 financial policies of the state for the ensuing fiscal period, as well
15 as an outline of the proposed six-year financial policies where
16 applicable, and shall describe in connection therewith the important
17 features of the budget. The message shall set forth the reasons for
18 salient changes from the previous fiscal period in expenditure and
19 revenue items and shall explain any major changes in financial policy.
20 Attached to the budget message shall be such supporting schedules,
21 exhibits and other explanatory material in respect to both current
22 operations and capital improvements as the governor shall deem to be
23 useful to the legislature. The budget document or documents shall set
24 forth a proposal for expenditures in the ensuing fiscal period, or six-
25 year period where applicable, based upon the estimated revenues and
26 caseloads as approved by the economic and revenue forecast council and
27 caseload forecast council or upon the estimated revenues and caseloads
28 of the office of financial management for those funds, accounts,
29 sources, and programs for which the forecast councils do not prepare an
30 official forecast(~~, including those revenues anticipated to support~~
31 ~~the six-year programs and financial plans under RCW 44.40.070. In~~
32 ~~estimating revenues to support financial plans under RCW 44.40.070, the~~
33 ~~office of financial management shall rely on information and advice~~
34 ~~from the transportation revenue forecast council)). Revenues shall be
35 estimated for such fiscal period from the source and at the rates
36 existing by law at the time of submission of the budget document,
37 including the supplemental budgets submitted in the even-numbered years
38 of a biennium. However, the estimated revenues and caseloads for use~~~~

1 in the governor's budget document may be adjusted to reflect budgetary
2 revenue transfers and revenue and caseload estimates dependent upon
3 budgetary assumptions of enrollments, workloads, and caseloads. All
4 adjustments to the approved estimated revenues and caseloads must be
5 set forth in the budget document. The governor may additionally
6 submit, as an appendix to each supplemental, biennial, or six-year
7 agency budget or to the budget document or documents, a proposal for
8 expenditures in the ensuing fiscal period from revenue sources derived
9 from proposed changes in existing statutes.

10 Supplemental and biennial documents shall reflect a six-year
11 expenditure plan consistent with estimated revenues from existing
12 sources (~~(and at existing rates for those agencies required to submit~~
13 ~~six-year program and financial plans under RCW 44.40.070)~~). Any
14 additional revenue resulting from proposed changes to existing statutes
15 shall be separately identified within the document as well as related
16 expenditures for the six-year period.

17 The budget document or documents shall also contain:

18 (a) Revenues classified by fund and source for the immediately past
19 fiscal period, those received or anticipated for the current fiscal
20 period, and those anticipated for the ensuing biennium(~~(, and those~~
21 ~~anticipated for the ensuing six-year period to support the six-year~~
22 ~~programs and financial plans required under RCW 44.40.070)~~);

23 (b) The undesignated fund balance or deficit, by fund;

24 (c) Such additional information dealing with expenditures,
25 revenues, workload, performance, and personnel as the legislature may
26 direct by law or concurrent resolution;

27 (d) Such additional information dealing with revenues and
28 expenditures as the governor shall deem pertinent and useful to the
29 legislature;

30 (e) Tabulations showing expenditures classified by fund, function,
31 activity, and agency. However, documents submitted for the 2005-07
32 biennial budget request need not show expenditures by activity;

33 (f) A delineation of each agency's activities, including those
34 activities funded from nonbudgeted, nonappropriated sources, including
35 funds maintained outside the state treasury;

36 (g) Identification of all proposed direct expenditures to implement
37 the Puget Sound water quality plan under chapter 90.71 RCW, shown by
38 agency and in total; and

1 (h) Tabulations showing each postretirement adjustment by
2 retirement system established after fiscal year 1991, to include, but
3 not be limited to, estimated total payments made to the end of the
4 previous biennial period, estimated payments for the present biennium,
5 and estimated payments for the ensuing biennium.

6 (2) The budget document or documents shall include detailed
7 estimates of all anticipated revenues applicable to proposed operating
8 or capital expenditures and shall also include all proposed operating
9 or capital expenditures. The total of beginning undesignated fund
10 balance and estimated revenues less working capital and other reserves
11 shall equal or exceed the total of proposed applicable expenditures.
12 The budget document or documents shall further include:

13 (a) Interest, amortization and redemption charges on the state
14 debt;

15 (b) Payments of all reliefs, judgments, and claims;

16 (c) Other statutory expenditures;

17 (d) Expenditures incident to the operation for each agency;

18 (e) Revenues derived from agency operations;

19 (f) Expenditures and revenues shall be given in comparative form
20 showing those incurred or received for the immediately past fiscal
21 period and those anticipated for the current biennium and next ensuing
22 biennium(~~(, as well as those required to support the six-year programs~~
23 ~~and financial plans required under RCW 44.40.070)));~~

24 (g) A showing and explanation of amounts of general fund and other
25 funds obligations for debt service and any transfers of moneys that
26 otherwise would have been available for appropriation;

27 (h) Common school expenditures on a fiscal-year basis;

28 (i) A showing, by agency, of the value and purpose of financing
29 contracts for the lease/purchase or acquisition of personal or real
30 property for the current and ensuing fiscal periods; and

31 (j) A showing and explanation of anticipated amounts of general
32 fund and other funds required to amortize the unfunded actuarial
33 accrued liability of the retirement system specified under chapter
34 41.45 RCW, and the contributions to meet such amortization, stated in
35 total dollars and as a level percentage of total compensation.

36 (3) A separate capital budget document or schedule shall be
37 submitted that will contain the following:

- 1 (a) A statement setting forth a long-range facilities plan for the
2 state that identifies and includes the highest priority needs within
3 affordable spending levels;
- 4 (b) A capital program consisting of proposed capital projects for
5 the next biennium and the two biennia succeeding the next biennium
6 consistent with the long-range facilities plan. Inasmuch as is
7 practical, and recognizing emergent needs, the capital program shall
8 reflect the priorities, projects, and spending levels proposed in
9 previously submitted capital budget documents in order to provide a
10 reliable long-range planning tool for the legislature and state
11 agencies;
- 12 (c) A capital plan consisting of proposed capital spending for at
13 least four biennia succeeding the next biennium;
- 14 (d) A strategic plan for reducing backlogs of maintenance and
15 repair projects. The plan shall include a prioritized list of specific
16 facility deficiencies and capital projects to address the deficiencies
17 for each agency, cost estimates for each project, a schedule for
18 completing projects over a reasonable period of time, and
19 identification of normal maintenance activities to reduce future
20 backlogs;
- 21 (e) A statement of the reason or purpose for a project;
- 22 (f) Verification that a project is consistent with the provisions
23 set forth in chapter 36.70A RCW;
- 24 (g) A statement about the proposed site, size, and estimated life
25 of the project, if applicable;
- 26 (h) Estimated total project cost;
- 27 (i) For major projects valued over five million dollars, estimated
28 costs for the following project components: Acquisition, consultant
29 services, construction, equipment, project management, and other costs
30 included as part of the project. Project component costs shall be
31 displayed in a standard format defined by the office of financial
32 management to allow comparisons between projects;
- 33 (j) Estimated total project cost for each phase of the project as
34 defined by the office of financial management;
- 35 (k) Estimated ensuing biennium costs;
- 36 (l) Estimated costs beyond the ensuing biennium;
- 37 (m) Estimated construction start and completion dates;
- 38 (n) Source and type of funds proposed;

1 (o) Estimated ongoing operating budget costs or savings resulting
2 from the project, including staffing and maintenance costs;

3 (p) For any capital appropriation requested for a state agency for
4 the acquisition of land or the capital improvement of land in which the
5 primary purpose of the acquisition or improvement is recreation or
6 wildlife habitat conservation, the capital budget document, or an
7 omnibus list of recreation and habitat acquisitions provided with the
8 governor's budget document, shall identify the projected costs of
9 operation and maintenance for at least the two biennia succeeding the
10 next biennium. Omnibus lists of habitat and recreation land
11 acquisitions shall include individual project cost estimates for
12 operation and maintenance as well as a total for all state projects
13 included in the list. The document shall identify the source of funds
14 from which the operation and maintenance costs are proposed to be
15 funded;

16 (q) Such other information bearing upon capital projects as the
17 governor deems to be useful;

18 (r) Standard terms, including a standard and uniform definition of
19 normal maintenance, for all capital projects;

20 (s) Such other information as the legislature may direct by law or
21 concurrent resolution.

22 For purposes of this subsection (3), the term "capital project"
23 shall be defined subsequent to the analysis, findings, and
24 recommendations of a joint committee comprised of representatives from
25 the house capital appropriations committee, senate ways and means
26 committee, (~~legislative transportation committee,~~) legislative
27 evaluation and accountability program committee, and office of
28 financial management.

29 (4) No change affecting the comparability of agency or program
30 information relating to expenditures, revenues, workload, performance
31 and personnel shall be made in the format of any budget document or
32 report presented to the legislature under this section or RCW
33 43.88.160(1) relative to the format of the budget document or report
34 which was presented to the previous regular session of the legislature
35 during an odd-numbered year without prior legislative concurrence.
36 Prior legislative concurrence shall consist of (a) a favorable majority
37 vote on the proposal by the standing committees on ways and means of
38 both houses if the legislature is in session or (b) a favorable

1 majority vote on the proposal by members of the legislative evaluation
2 and accountability program committee if the legislature is not in
3 session.

4 **Sec. 109.** RCW 43.88.230 and 1996 c 288 s 40 are each amended to
5 read as follows:

6 For the purposes of this chapter, the statute law committee, the
7 joint legislative audit and review committee, (~~the legislative~~
8 ~~transportation committee,~~) the legislative evaluation and
9 accountability program committee, the office of state actuary, and all
10 legislative standing committees of both houses shall be deemed a part
11 of the legislative branch of state government.

12 **Sec. 110.** RCW 43.105.160 and 1999 c 80 s 9 are each amended to
13 read as follows:

14 (1) The department shall prepare a state strategic information
15 technology plan which shall establish a statewide mission, goals, and
16 objectives for the use of information technology, including goals for
17 electronic access to government records, information, and services.
18 The plan shall be developed in accordance with the standards and
19 policies established by the board and shall be submitted to the board
20 for review, modification as necessary, and approval. The department
21 shall seek the advice of the board in the development of this plan.

22 The plan approved under this section shall be updated as necessary
23 and submitted to the governor(~~(7)~~) and the chairs and ranking minority
24 members of the appropriations committees of the senate and the house of
25 representatives(~~(7, and, during the legislative session, to the chairs~~
26 ~~and ranking minority members of the transportation committees of the~~
27 ~~senate and the house of representatives. During the legislative~~
28 ~~interim, the approved plan must be submitted to the legislative~~
29 ~~transportation committee, instead of the standing transportation~~
30 ~~committees)).~~

31 (2) The department shall prepare a biennial state performance
32 report on information technology based on agency performance reports
33 required under RCW 43.105.170 and other information deemed appropriate
34 by the department. The report shall include, but not be limited to:

35 (a) An analysis, based upon agency portfolios, of the state's

1 information technology infrastructure, including its value, condition,
2 and capacity;

3 (b) An evaluation of performance relating to information
4 technology;

5 (c) An assessment of progress made toward implementing the state
6 strategic information technology plan, including progress toward
7 electronic access to public information and enabling citizens to have
8 two-way access to public records, information, and services;

9 (d) An analysis of the success or failure, feasibility, progress,
10 costs, and timeliness of implementation of major information technology
11 projects under RCW 43.105.190;

12 (e) Identification of benefits, cost avoidance, and cost savings
13 generated by major information technology projects developed under RCW
14 43.105.190; and

15 (f) An inventory of state information services, equipment, and
16 proprietary software.

17 Copies of the report shall be distributed biennially to the
18 governor((~~τ~~)) and the chairs and ranking minority members of the
19 appropriations committees of the senate and the house of
20 representatives(~~(, and, during the legislative session, the chairs and~~
21 ~~ranking minority members of the transportation committees of the senate~~
22 ~~and the house of representatives. During the legislative interim, the~~
23 ~~report must be submitted to the legislative transportation committee,~~
24 ~~instead of the standing transportation committees))).~~

25 **Sec. 111.** RCW 43.105.190 and 1999 c 80 s 12 are each amended to
26 read as follows:

27 (1) The department, with the approval of the board, shall establish
28 standards and policies governing the planning, implementation, and
29 evaluation of major information technology projects, including those
30 proposed by the superintendent of public instruction, in conjunction
31 with educational service districts, or statewide or regional providers
32 of K-12 education information technology services. The standards and
33 policies shall:

34 (a) Establish criteria to identify projects which are subject to
35 this section. Such criteria shall include, but not be limited to,
36 significant anticipated cost, complexity, or statewide significance of
37 the project; and

1 (b) Establish a model process and procedures which agencies shall
2 follow in developing and implementing projects within their information
3 technology portfolios. Agencies may propose, for approval by the
4 department, a process and procedures unique to the agency. The
5 department may accept or require modification of such agency proposals
6 or the department may reject such agency proposals and require use of
7 the model process and procedures established under this subsection.
8 Any process and procedures developed under this subsection shall
9 require (i) distinct and identifiable phases upon which funding may be
10 based, (ii) user validation of products through system demonstrations
11 and testing of prototypes and deliverables, and (iii) other elements
12 identified by the board.

13 The director may terminate a major project if the director
14 determines that the project is not meeting or is not expected to meet
15 anticipated performance standards.

16 (2) The office of financial management shall establish policies and
17 standards consistent with portfolio-based information technology
18 management to govern the funding of projects developed under this
19 section. The policies and standards shall provide for:

20 (a) Funding of a project under terms and conditions mutually agreed
21 to by the director, the director of financial management, and the head
22 of the agency proposing the project. However, the office of financial
23 management may require incremental funding of a project on a phase-by-
24 phase basis whereby funds for a given phase of a project may be
25 released only when the office of financial management determines, with
26 the advice of the department, that the previous phase is satisfactorily
27 completed;

28 (b) Acceptance testing of products to assure that products perform
29 satisfactorily before they are accepted and final payment is made; and

30 (c) Other elements deemed necessary by the office of financial
31 management.

32 (3) The department shall evaluate projects based on the
33 demonstrated business needs and benefits; cost; technology scope and
34 feasibility; impact on the agency's information technology portfolio
35 and on the statewide infrastructure; and final project implementation
36 plan based upon available funding.

37 Copies of project evaluations conducted under this subsection shall

1 be submitted to the office of financial management and the chairs,
2 ranking minority members, and staff coordinators of the appropriations
3 committees of the senate and house of representatives.

4 If there are projects that receive funding from a transportation
5 fund or account, copies of those projects' evaluations conducted under
6 this subsection must be submitted(~~(, during the legislative session,)~~)
7 to the chairs and ranking minority members of the transportation
8 committees of the senate and the house of representatives. (~~During~~
9 ~~the legislative interim, the project evaluations must be submitted to~~
10 ~~the legislative transportation committee.))~~)

11 **Sec. 112.** RCW 44.04.260 and 2003 c 295 s 12 are each amended to
12 read as follows:

13 The joint legislative audit and review committee, (~~the legislative~~
14 ~~transportation committee,)~~) the select committee on pension policy, the
15 legislative evaluation and accountability program committee, and the
16 joint legislative systems committee are subject to such operational
17 policies, procedures, and oversight as are deemed necessary by the
18 facilities and operations committee of the senate and the executive
19 rules committee of the house of representatives to ensure operational
20 adequacy of the agencies of the legislative branch. As used in this
21 section, "operational policies, procedures, and oversight" includes the
22 development process of biennial budgets, contracting procedures,
23 personnel policies, and compensation plans, selection of a chief
24 administrator, facilities, and expenditures. This section does not
25 grant oversight authority to the facilities and operations committee of
26 the senate over any standing committee of the house of representatives
27 or oversight authority to the executive rules committee of the house of
28 representatives over any standing committee of the senate.

29 **Sec. 113.** RCW 44.28.088 and 2003 c 362 s 14 are each amended to
30 read as follows:

31 (1) When the legislative auditor has completed a performance audit
32 authorized in the performance audit work plan, the legislative auditor
33 shall transmit the preliminary performance audit report to the affected
34 state agency or local government and the office of financial management
35 for comment. The agency or local government and the office of
36 financial management shall provide any response to the legislative

1 auditor within thirty days after receipt of the preliminary performance
2 audit report unless a different time period is approved by the joint
3 committee. The legislative auditor shall incorporate the response of
4 the agency or local government and the office of financial management
5 into the final performance audit report.

6 (2) Except as provided in subsection (3) of this section, before
7 releasing the results of a performance audit to the legislature or the
8 public, the legislative auditor shall submit the preliminary
9 performance audit report to the joint committee for its review,
10 comments, and final recommendations. Any comments by the joint
11 committee must be included as a separate addendum to the final
12 performance audit report. Upon consideration and incorporation of the
13 review, comments, and recommendations of the joint committee, the
14 legislative auditor shall transmit the final performance audit report
15 to the affected agency or local government, the director of financial
16 management, the leadership of the senate and the house of
17 representatives, and the appropriate standing committees of the house
18 of representatives and the senate and shall publish the results and
19 make the report available to the public. For purposes of this section,
20 "leadership of the senate and the house of representatives" means the
21 speaker of the house, the majority leaders of the senate and the house
22 of representatives, the minority leaders of the senate and the house of
23 representatives, the caucus chairs of both major political parties of
24 the senate and the house of representatives, and the floor leaders of
25 both major political parties of the senate and the house of
26 representatives.

27 (3) If contracted to manage a transportation-related performance
28 audit under RCW 44.75.090, before releasing the results of a
29 performance audit originally ((requested)) directed by the ((executive
30 committee of the legislative transportation committee)) transportation
31 performance audit board to the legislature or the public, the
32 legislative auditor shall submit the preliminary performance audit
33 report to the ((executive committee of the joint committee and the
34 executive committee of the legislative transportation committee))
35 transportation performance audit board for review and comments solely
36 on the management of the audit. Any comments by the ((executive
37 committee of the joint committee and executive committee of the
38 legislative transportation committee)) transportation performance audit

1 board must be included as a separate addendum to the final performance
2 audit report. Upon consideration and incorporation of the review and
3 comments of the (~~executive committee of the joint committee and~~
4 ~~executive committee of the legislative transportation committee~~)
5 transportation performance audit board, the legislative auditor shall
6 transmit the final performance audit report to the affected agency or
7 local government, the director of financial management, the leadership
8 of the senate and the house of representatives, and the appropriate
9 standing committees of the house of representatives and the senate and
10 shall publish the results and make the report available to the public.

11 **Sec. 114.** RCW 44.40.025 and 1996 c 288 s 49 are each amended to
12 read as follows:

13 (~~In addition to the powers and duties authorized in RCW 44.40.020,~~
14 ~~the committee and~~) The standing committees on transportation of the
15 house and senate shall, in coordination with the joint legislative
16 audit and review committee, the legislative evaluation and
17 accountability program committee, and the ways and means committees of
18 the senate and house of representatives, ascertain, study, (~~and/or~~)
19 and analyze all available facts and matters relating or pertaining to
20 sources of revenue, appropriations, expenditures, and financial
21 condition of the motor vehicle fund and accounts thereof, the highway
22 safety fund, and all other funds or accounts related to transportation
23 programs of the state.

24 The joint legislative audit and review committee, the legislative
25 evaluation and accountability program committee, and the ways and means
26 committees of the senate and house of representatives shall coordinate
27 their activities with the (~~legislative~~) transportation committees of
28 the legislature in carrying out the committees' powers and duties under
29 chapter 43.88 RCW in matters relating to the transportation programs of
30 the state.

31 **Sec. 115.** RCW 46.01.320 and 1996 c 315 s 2 are each amended to
32 read as follows:

33 The title and registration advisory committee is created within the
34 department. The committee consists of the director or a designee, who
35 shall serve as chair, the assistant director for vehicle services, the
36 administrator of title and registration services, two members from each

1 of the house and senate transportation committees, two county auditors
2 nominated by the Washington association of county officials, and two
3 representatives of subagents nominated by an association of vehicle
4 subagents. The committee shall meet at least twice a year, and may
5 meet as often as is necessary.

6 The committee's purpose is to foster communication between the
7 legislature, the department, county auditors, and subagents. The
8 committee shall make recommendations (~~((when requested by the~~
9 ~~legislative transportation committee, or on its own initiative,))~~) about
10 revisions to fee structures, implications of fee revisions on cost
11 sharing, and the development of standard contracts provided for in RCW
12 46.01.140(3).

13 **Sec. 116.** RCW 46.01.325 and 1996 c 315 s 3 are each amended to
14 read as follows:

15 (1) The director shall prepare, with the advice of the title and
16 registration advisory committee, an annual comprehensive analysis and
17 evaluation of agent and subagent fees. The director shall make
18 recommendations for agent and subagent fee revisions approved by the
19 title and registration advisory committee to the (~~legislative~~) senate
20 and house transportation committees by January 1st of every third year
21 starting with 1996. Fee revision recommendations may be made more
22 frequently when justified by the annual analysis and evaluation, and
23 requested by the title and registration advisory committee.

24 (2) The annual comprehensive analysis and evaluation must consider,
25 but is not limited to:

26 (a) Unique and significant financial, legislative, or other
27 relevant developments that may impact fees;

28 (b) Current funding for ongoing operating and maintenance
29 automation project costs affecting revenue collection and service
30 delivery;

31 (c) Future system requirements including an appropriate sharing of
32 costs between the department, agents, and subagents;

33 (d) Beneficial mix of customer service delivery options based on a
34 fee structure commensurate with quality performance standards;

35 (e) Appropriate indices projecting state and national growth in
36 business and economic conditions prepared by the United States

1 department of commerce, the department of revenue, and the revenue
2 forecast council for the state of Washington.

3 **Sec. 117.** RCW 46.16.705 and 2003 c 196 s 101 are each amended to
4 read as follows:

5 (1) The special license plate review board is created.

6 (2) The board will consist of seven members: One member appointed
7 by the governor and who will serve as chair of the board; four members
8 of the legislature, one from each caucus of the house of
9 representatives and the senate; a department of licensing
10 representative appointed by the director; and a Washington state patrol
11 representative appointed by the chief.

12 (3) Members shall serve terms of four years, except that four of
13 the members initially appointed will be appointed for terms of two
14 years. No member may be appointed for more than three consecutive
15 terms.

16 (4) The (~~legislative transportation committee~~) respective
17 appointing authority may remove members from the board before the
18 expiration of their terms only for cause based upon a determination of
19 incapacity, incompetence, neglect of duty, or malfeasance in office as
20 ordered by the Thurston county superior court, upon petition and show
21 cause proceedings brought for that purpose in that court and directed
22 to the board member in question.

23 **Sec. 118.** RCW 46.16.715 and 2003 c 196 s 102 are each amended to
24 read as follows:

25 (1) The board shall meet periodically at the call of the chair, but
26 must meet at least one time each year within ninety days before an
27 upcoming regular session of the legislature. The board may adopt its
28 own rules and may establish its own procedures. It shall act
29 collectively in harmony with recorded resolutions or motions adopted by
30 a majority vote of the members, and it must have a quorum present to
31 take a vote on a special license plate application.

32 (2) The board will be compensated from the general appropriation
33 for the (~~legislative transportation committee~~) department of
34 licensing in accordance with RCW 43.03.250. Each board member will be
35 compensated in accordance with RCW 43.03.250 and reimbursed for actual
36 necessary traveling and other expenses in going to, attending, and

1 returning from meetings of the board or that are incurred in the
2 discharge of duties requested by the chair. However, in no event may
3 a board member be compensated in any year for more than one hundred
4 twenty days, except the chair may be compensated for not more than one
5 hundred fifty days. Service on the board does not qualify as a service
6 credit for the purposes of a public retirement system.

7 (3) The board shall keep proper records and is subject to audit by
8 the state auditor or other auditing entities.

9 (4) The department of licensing shall provide administrative
10 support to the board, which must include at least the following:

11 (a) Provide general staffing to meet the administrative needs of
12 the board;

13 (b) Report to the board on the reimbursement status of any new
14 special license plate series for which the state had to pay the start-
15 up costs;

16 (c) Process special license plate applications and confirm that the
17 sponsoring organization has submitted all required documentation. If
18 an incomplete application is received, the department must return it to
19 the sponsoring organization;

20 (d) Compile the annual financial reports submitted by sponsoring
21 organizations with active special license plate series and present
22 those reports to the board for review and approval.

23 ~~((5) The legislative transportation committee shall provide
24 general oversight of the board, which must include at least the
25 following:~~

26 ~~(a) Process and approve board member compensation requests;~~

27 ~~(b) Review the annual financial reports submitted to the board by
28 sponsoring organizations;~~

29 ~~(c) Review annually the list of the board's approved and rejected
30 special license plate proposals submitted by sponsoring
31 organizations.))~~

32 **Sec. 119.** RCW 46.16.725 and 2003 c 196 s 103 are each amended to
33 read as follows:

34 (1) The creation of the board does not in any way preclude the
35 authority of the legislature to independently propose and enact special
36 license plate legislation.

1 (2) The board must review and either approve or reject special
2 license plate applications submitted by sponsoring organizations.

3 (3) Duties of the board include but are not limited to the
4 following:

5 (a) Review and approve the annual financial reports submitted by
6 sponsoring organizations with active special license plate series and
7 present those annual financial reports to the (~~legislative~~) senate
8 and house transportation committees;

9 (b) Report annually to the (~~legislative~~) senate and house
10 transportation committees on the special license plate applications
11 that were considered by the board;

12 (c) Issue approval and rejection notification letters to sponsoring
13 organizations, the department, the chairs of the senate and house of
14 representatives transportation committees, and the legislative sponsors
15 identified in each application. The letters must be issued within
16 seven days of making a determination on the status of an application;

17 (d) Review annually the number of plates sold for each special
18 license plate series created after January 1, 2003. The board may
19 submit a recommendation to discontinue a special plate series to the
20 chairs of the senate and house of representatives transportation
21 committees.

22 **Sec. 120.** RCW 46.73.010 and 1985 c 333 s 1 are each amended to
23 read as follows:

24 The Washington state patrol may adopt rules establishing standards
25 for qualifications and hours of service of drivers for private carriers
26 as defined by RCW 81.80.010(6). Such standards shall correlate with
27 and, as far as reasonable, conform to the regulations contained in
28 Title 49 C.F.R., Chapter 3, Subchapter B, Parts 391 and 395, on July
29 28, 1985. (~~At least thirty days before filing notice of the proposed~~
30 ~~rules with the code reviser, the state patrol shall submit them to the~~
31 ~~legislative transportation committee for review.))~~

32 **Sec. 121.** RCW 47.01.280 and 1999 c 94 s 10 are each amended to
33 read as follows:

34 (1) Upon receiving an application for improvements to an existing
35 state highway or highways pursuant to RCW 43.160.074 from the community

1 economic revitalization board, the transportation commission shall, in
2 a timely manner, determine whether or not the proposed state highway
3 improvements:

4 (a) Meet the safety and design criteria of the department of
5 transportation;

6 (b) Will impair the operational integrity of the existing highway
7 system;

8 (c) Will affect any other improvements planned by the department;
9 and

10 (d) Will be consistent with its policies developed pursuant to RCW
11 47.01.071.

12 (2) Upon completion of its determination of the factors contained
13 in subsection (1) of this section and any other factors it deems
14 pertinent, the transportation commission shall forward its approval, as
15 submitted or amended or disapproval of the proposed improvements to the
16 board, along with any recommendation it may wish to make concerning the
17 desirability and feasibility of the proposed development. If the
18 transportation commission disapproves any proposed improvements, it
19 shall specify its reasons for disapproval.

20 (3) Upon notification from the board of an application's approval
21 pursuant to RCW 43.160.074, the transportation commission shall direct
22 the department of transportation to carry out the improvements in
23 coordination with the applicant.

24 ~~((4) The transportation commission shall notify the legislative
25 transportation committee of all state highway improvements to be
26 carried out pursuant to RCW 43.160.074 and this section.))~~

27 **Sec. 122.** RCW 47.04.210 and 2001 2nd sp.s. c 14 s 601 are each
28 amended to read as follows:

29 Federal funds that are administered by the department of
30 transportation and are passed through to municipal corporations or
31 political subdivisions of the state and moneys that are received as
32 total reimbursement for goods, services, or projects constructed by the
33 department of transportation are removed from the transportation
34 budget. To process and account for these expenditures a new treasury
35 trust account is created to be used for all department of
36 transportation one hundred percent federal and local reimbursable
37 transportation expenditures. This new account is nonbudgeted and

1 nonappropriated. At the same time, federal and private local
2 appropriations and full-time equivalents in subprograms R2, R3, T6, Y6,
3 and Z2 processed through this new account are removed from the
4 department of transportation's 1997-99 budget.

5 The department of transportation may make expenditures from the
6 account before receiving federal and local reimbursements. However, at
7 the end of each biennium, the account must maintain a zero or positive
8 cash balance. In the twenty-fourth month of each biennium the
9 department of transportation shall calculate and transfer sufficient
10 cash from either the motor vehicle fund or the multimodal
11 transportation account to cover any negative cash balances. The amount
12 transferred is calculated based on expenditures from each fund. In
13 addition, any interest charges accruing to the new account must be
14 distributed to the motor vehicle fund and the multimodal transportation
15 account.

16 The department of transportation shall provide an annual report to
17 the ((legislative)) senate and house transportation committees and the
18 office of financial management on expenditures and full-time
19 equivalents processed through the new account. The report must also
20 include recommendations for process changes, if needed.

21 **Sec. 123.** RCW 47.04.220 and 2001 2nd sp.s. c 14 s 602 are each
22 amended to read as follows:

23 (1) The miscellaneous transportation programs account is created in
24 the custody of the state treasurer.

25 (2) Moneys from the account may be used only for the costs of:

26 (a) Miscellaneous transportation services provided by the
27 department that are reimbursed by other public and private entities;

28 (b) Local transportation projects for which the department is a
29 conduit for federal reimbursement to a municipal corporation or
30 political subdivision; or

31 (c) Other reimbursable activities as recommended by the
32 ((legislative)) senate and house transportation committees and approved
33 by the office of financial management.

34 (3) Moneys received as reimbursement for expenditures under
35 subsection (2) of this section must be deposited into the account.

36 (4) No appropriation is required for expenditures from this

1 account. This fund is not subject to allotment procedures provided
2 under chapter 43.88 RCW.

3 (5) Only the secretary of transportation or the secretary's
4 designee may authorize expenditures from the account.

5 (6) It is the intent of the legislature that this account maintain
6 a zero or positive cash balance at the end of each biennium. Toward
7 this purpose the department may make expenditures from the account
8 before receiving reimbursements under subsection (2) of this section.
9 Before the end of the biennium, the department shall transfer
10 sufficient cash to cover any negative cash balances from the motor
11 vehicle fund and the multimodal transportation account to the
12 miscellaneous transportation programs account for unrecovered
13 reimbursements. The department shall calculate the distribution of
14 this transfer based on expenditures. In the ensuing biennium the
15 department shall transfer the reimbursements received in the
16 miscellaneous transportation programs account back to the motor vehicle
17 fund and the multimodal transportation account to the extent of the
18 cash transferred at biennium end. The department shall also distribute
19 any interest charges accruing to the miscellaneous transportation
20 programs account to the motor vehicle fund and the multimodal
21 transportation account. Adjustments for any indirect cost recoveries
22 may also be made at this time.

23 (7) The department shall provide an annual report to the
24 (~~legislative~~) senate and house transportation committees and the
25 office of financial management on the expenditures and full-time
26 equivalents processed through the miscellaneous transportation programs
27 account. The report must also include recommendations for changes to
28 the process, if needed.

29 **Sec. 124.** RCW 47.06.110 and 1996 c 186 s 512 are each amended to
30 read as follows:

31 The state-interest component of the statewide multimodal
32 transportation plan shall include a state public transportation plan
33 that:

34 (1) Articulates the state vision of an interest in public
35 transportation and provides quantifiable objectives, including benefits
36 indicators;

1 (2) Identifies the goals for public transit and the roles of
2 federal, state, regional, and local entities in achieving those goals;

3 (3) Recommends mechanisms for coordinating state, regional, and
4 local planning for public transportation;

5 (4) Recommends mechanisms for coordinating public transportation
6 with other transportation services and modes;

7 (5) Recommends criteria, consistent with the goals identified in
8 subsection (2) of this section and with RCW 82.44.180 (2) and (3), for
9 existing federal authorizations administered by the department to
10 transit agencies; and

11 (6) Recommends a statewide public transportation facilities and
12 equipment management system as required by federal law.

13 In developing the state public transportation plan, the department
14 shall involve local jurisdictions, public and private providers of
15 transportation services, nonmotorized interests, and state agencies
16 with an interest in public transportation, including but not limited to
17 the departments of community, trade, and economic development, social
18 and health services, and ecology, the office of the superintendent of
19 public instruction, the office of the governor, and the office of
20 financial management.

21 The department shall submit ~~((an initial report))~~ to the
22 ~~((legislative))~~ senate and house transportation committees by December
23 ~~((1, 1993, and shall provide annual))~~ 1st of each year, reports
24 summarizing the plan's progress ~~((each year thereafter))~~.

25 **Sec. 125.** RCW 47.06A.020 and 1999 c 216 s 1 are each amended to
26 read as follows:

27 (1) The board shall:

28 (a) Adopt rules and procedures necessary to implement the freight
29 mobility strategic investment program;

30 (b) Solicit from public entities proposed projects that meet
31 eligibility criteria established in accordance with subsection (4) of
32 this section; and

33 (c) Review and evaluate project applications based on criteria
34 established under this section, and prioritize and select projects
35 comprising a portfolio to be funded in part with grants from state
36 funds appropriated for the freight mobility strategic investment
37 program. In determining the appropriate level of state funding for a

1 project, the board shall ensure that state funds are allocated to
2 leverage the greatest amount of partnership funding possible. After
3 selecting projects comprising the portfolio, the board shall submit
4 them as part of its budget request to the office of financial
5 management and the legislature. The board shall ensure that projects
6 submitted as part of the portfolio are not more appropriately funded
7 with other federal, state, or local government funding mechanisms or
8 programs. The board shall reject those projects that appear to improve
9 overall general mobility with limited enhancement for freight mobility.

10 The board shall provide periodic progress reports on its activities
11 to the office of financial management and the (~~legislative~~) senate
12 and house transportation committees.

13 (2) The board may:

14 (a) Accept from any state or federal agency, loans or grants for
15 the financing of any transportation project and enter into agreements
16 with any such agency concerning the loans or grants;

17 (b) Provide technical assistance to project applicants;

18 (c) Accept any gifts, grants, or loans of funds, property, or
19 financial, or other aid in any form from any other source on any terms
20 and conditions which are not in conflict with this chapter;

21 (d) Adopt rules under chapter 34.05 RCW as necessary to carry out
22 the purposes of this chapter; and

23 (e) Do all things necessary or convenient to carry out the powers
24 expressly granted or implied under this chapter.

25 (3) The board shall designate strategic freight corridors within
26 the state. The board shall update the list of designated strategic
27 corridors not less than every two years, and shall establish a method
28 of collecting and verifying data, including information on city and
29 county-owned roadways.

30 (4) (~~From June 11, 1998, through the biennium ending June 30,~~
31 ~~2001,~~) The board shall utilize threshold project eligibility criteria
32 that, at a minimum, includes the following:

33 (a) The project must be on a strategic freight corridor;

34 (b) The project must meet one of the following conditions:

35 (i) It is primarily aimed at reducing identified barriers to
36 freight movement with only incidental benefits to general or personal
37 mobility; or

1 (ii) It is primarily aimed at increasing capacity for the movement
2 of freight with only incidental benefits to general or personal
3 mobility; or

4 (iii) It is primarily aimed at mitigating the impact on communities
5 of increasing freight movement, including roadway/railway conflicts;
6 and

7 (c) The project must have a total public benefit/total public cost
8 ratio of equal to or greater than one.

9 (5) From June 11, 1998, through the biennium ending June 30, 2001,
10 the board shall use the multicriteria analysis and scoring framework
11 for evaluating and ranking eligible freight mobility and freight
12 mitigation projects developed by the freight mobility project
13 prioritization committee and contained in the January 16, 1998, report
14 entitled "Project Eligibility, Priority and Selection Process for a
15 Strategic Freight Investment Program." The prioritization process
16 shall measure the degree to which projects address important program
17 objectives and shall generate a project score that reflects a project's
18 priority compared to other projects. The board shall assign scoring
19 points to each criterion that indicate the relative importance of the
20 criterion in the overall determination of project priority. After June
21 30, 2001, the board may supplement and refine the initial project
22 priority criteria and scoring framework developed by the freight
23 mobility project prioritization committee as expertise and experience
24 is gained in administering the freight mobility program.

25 (6) It is the intent of the legislature that each freight mobility
26 project contained in the project portfolio submitted by the board
27 utilize the greatest amount of nonstate funding possible. The board
28 shall adopt rules that give preference to projects that contain the
29 greatest levels of financial participation from nonprogram fund
30 sources. The board shall consider twenty percent as the minimum
31 partnership contribution, but shall also ensure that there are
32 provisions allowing exceptions for projects that are located in areas
33 where minimal local funding capacity exists or where the magnitude of
34 the project makes the adopted partnership contribution financially
35 unfeasible.

36 (7) The board shall develop and recommend policies that address
37 operational improvements that primarily benefit and enhance freight

1 movement, including, but not limited to, policies that reduce
2 congestion in truck lanes at border crossings and weigh stations and
3 provide for access to ports during nonpeak hours.

4 **Sec. 126.** RCW 47.10.790 and 1985 c 406 s 1 are each amended to
5 read as follows:

6 (1) In order to provide funds for the location, design, right of
7 way, and construction of selected interstate highway improvements,
8 there shall be issued and sold upon the request of the Washington state
9 transportation commission, a total of one hundred million dollars of
10 general obligation bonds of the state of Washington to pay the state's
11 share of costs for completion of state route 90 (state route 5 to state
12 route 405) and other related state highway projects eligible for
13 regular federal interstate funding and until December 31, 1989, to
14 temporarily pay the regular federal share of construction of completion
15 projects on state route 90 (state route 5 to state route 405) and other
16 related state highway projects eligible for regular interstate funding
17 in advance of federal-aid apportionments under the provisions of 23
18 U.S.C. Secs. 115 or 122: PROVIDED, That the total amount of bonds
19 issued to temporarily pay the regular federal share of construction of
20 federal-aid interstate highways in advance of federal-aid
21 apportionments as authorized by this section and RCW 47.10.801 shall
22 not exceed one hundred twenty million dollars: PROVIDED FURTHER, That
23 the transportation commission shall (~~consult with the legislative~~
24 ~~transportation committee prior to the adoption of~~) adopt plans for the
25 obligation of federal-aid apportionments received in federal fiscal
26 year 1985 and subsequent years to pay the regular federal share of
27 federal-aid interstate highway construction projects or to convert such
28 apportionments under the provisions of 23 U.S.C. Secs. 115 or 122.

29 (2) The transportation commission(~~, in consultation with the~~
30 ~~legislative transportation committee,~~) may at any time find and
31 determine that any amount of the bonds authorized in subsection (1) of
32 this section, and not then sold, are no longer required to be issued
33 and sold for the purposes described in subsection (1) of this section.

34 (3) Any bonds authorized by subsection (1) of this section that the
35 transportation commission determines are no longer required for the
36 purpose of paying the cost of the designated interstate highway
37 improvements described therein shall be issued and sold, upon the

1 request of the Washington state transportation commission, to provide
2 funds for the location, design, right of way, and construction of major
3 transportation improvements throughout the state (~~(that are identified~~
4 ~~as category C improvements in RCW 47.05.030)~~).

5 **Sec. 127.** RCW 47.10.801 and 1999 c 94 s 13 are each amended to
6 read as follows:

7 (1) In order to provide funds necessary for the location, design,
8 right of way, and construction of selected interstate and other state
9 highway improvements, there shall be issued and sold, subject to
10 subsections (2), (3), and (4) of this section, upon the request of the
11 Washington state transportation commission a total of four hundred
12 sixty million dollars of general obligation bonds of the state of
13 Washington for the following purposes and specified sums:

14 (a) Not to exceed two hundred twenty-five million dollars to pay
15 the state's share of costs for federal-aid interstate highway
16 improvements and until December 31, 1989, to temporarily pay the
17 regular federal share of construction of federal-aid interstate highway
18 improvements to complete state routes 82, 90, 182, and 705 in advance
19 of federal-aid apportionments under the provisions of 23 U.S.C. Secs.
20 115 or 122: PROVIDED, That the total amount of bonds issued to
21 temporarily pay the regular federal share of construction of federal-
22 aid interstate highways in advance of federal-aid apportionments as
23 authorized by this section and RCW 47.10.790 shall not exceed one
24 hundred twenty million dollars: PROVIDED FURTHER, That the
25 transportation commission shall (~~(consult with the legislative~~
26 ~~transportation committee prior to the adoption of)) adopt plans for the
27 obligation of federal-aid apportionments received in federal fiscal
28 year 1985 and subsequent years to pay the regular federal share of
29 federal-aid interstate highway construction projects or to convert such
30 apportionments under the provisions of 23 U.S.C. Secs. 115 or 122;~~

31 (b) Two hundred twenty-five million dollars for major
32 transportation improvements throughout the state that are identified as
33 category C improvements and for selected major non-interstate
34 construction and reconstruction projects that are included as Category
35 A Improvements (~~(in RCW 47.05.030)~~);

36 (c) Ten million dollars for state highway improvements necessitated

1 by planned economic development, as determined through the procedures
2 set forth in RCW 43.160.074 and 47.01.280.

3 (2) The amount of bonds authorized in subsection (1)(a) of this
4 section shall be reduced if the transportation commission(~~(, in~~
5 ~~consultation with the legislative transportation committee,)~~)
6 determines that any of the bonds that have not been sold are no longer
7 required.

8 (3) The amount of bonds authorized in subsection (1)(b) of this
9 section shall be increased by an amount not to exceed, and concurrent
10 with, any reduction of bonds authorized under subsection (1)(a) of this
11 section in the manner prescribed in subsection (2) of this section.

12 (4) The transportation commission may decrease the amount of bonds
13 authorized in subsection (1)(c) of this section and increase the amount
14 of bonds authorized in subsection (1)(a) or (b) of this section, or
15 both by an amount equal to the decrease in subsection (1)(c) of this
16 section. The transportation commission may decrease the amount of
17 bonds authorized in subsection (1)(c) of this section only if the
18 legislature appropriates an equal amount of funds from the motor
19 vehicle fund - basic account for the purposes enumerated in subsection
20 (1)(c) of this section.

21 **Sec. 128.** RCW 47.10.802 and 1986 c 290 s 1 are each amended to
22 read as follows:

23 Upon request being made by the transportation commission, the state
24 finance committee shall supervise and provide for the issuance, sale,
25 and retirement of the bonds authorized by RCW 47.10.801 in accordance
26 with chapter 39.42 RCW. The amount of such bonds issued and sold under
27 RCW 47.10.801 through 47.10.809 in any biennium may not exceed the
28 amount of a specific appropriation therefor. Such bonds may be sold
29 from time to time in such amounts as may be necessary for the orderly
30 progress of the state highway improvements specified in RCW 47.10.801.
31 The amount of bonds issued and sold under RCW 47.10.801(1)(a) in any
32 biennium shall not, except as provided in that section, exceed the
33 amount required to match federal-aid interstate funds available to the
34 state of Washington. (~~The transportation commission shall give notice~~
35 ~~of its intent to sell bonds to the legislative transportation committee~~
36 ~~before requesting the state finance committee to issue and sell bonds~~
37 ~~authorized by RCW 47.10.801(1)(a).)~~) The bonds shall be sold in such

1 manner, at such time or times, in such amounts, and at such price or
2 prices as the state finance committee shall determine. The state
3 finance committee may obtain insurance, letters of credit, or other
4 credit facility devices with respect to the bonds and may authorize the
5 execution and delivery of agreements, promissory notes, and other
6 obligations for the purpose of insuring the payment or enhancing the
7 marketability of the bonds. Promissory notes or other obligations
8 issued under this section shall not constitute a debt or the
9 contracting of indebtedness under any constitutional or statutory
10 indebtedness limitation if their payment is conditioned upon the
11 failure of the state to pay the principal of or interest on the bonds
12 with respect to which the promissory notes or other obligations relate.
13 The state finance committee may authorize the issuance of short-term
14 obligations in lieu of long-term obligations for the purposes of more
15 favorable interest rates, lower total interest costs, and increased
16 marketability and for the purposes of retiring the bonds during the
17 life of the project for which they were issued.

18 **Sec. 129.** RCW 47.17.850 and 1984 c 7 s 139 are each amended to
19 read as follows:

20 A state highway to be known as state route number 906 is
21 established as follows:

22 Beginning at a junction with state route number 90 at the West
23 Summit interchange of Snoqualmie Pass, thence along the alignment of
24 the state route number 90 as it existed on May 11, 1967, in a
25 southeasterly direction to a junction with state route number 90 at the
26 Hyak interchange.

27 ~~((The legislative transportation committee, the house and senate
28 transportation committees, and the department shall undertake
29 appropriate studies to evaluate state route number 906 to determine
30 whether or not it should permanently remain on the state system.))~~

31 **Sec. 130.** RCW 47.26.167 and 1991 c 342 s 62 are each amended to
32 read as follows:

33 The legislature recognizes the need for a multijurisdictional body
34 to review future requests for jurisdictional transfers. The board is
35 hereby directed, beginning September 1, 1991, to receive petitions from
36 cities, counties, or the state requesting any addition or deletion from

1 the state highway system. The board is required to utilize the
2 criteria established in RCW 47.17.001 in evaluating petitions and to
3 adopt rules for implementation of this process. The board shall
4 forward to the ~~((legislative))~~ senate and house transportation
5 committees by November 15 each year any recommended jurisdictional
6 transfers.

7 **Sec. 131.** RCW 47.26.170 and 1994 c 179 s 16 are each amended to
8 read as follows:

9 Each county having within its boundaries an urban area and cities
10 and towns shall prepare and submit to the transportation improvement
11 board arterial inventory data required to determine the long-range
12 arterial construction needs. The counties, cities, and towns shall
13 revise the arterial inventory data every four years to show the current
14 arterial construction needs through the advanced planning period, and
15 as revised shall submit them to the transportation improvement board
16 during the first week of January every four years beginning in 1996.
17 The inventory data shall be prepared pursuant to guidelines established
18 by the transportation improvement board. As information is updated, it
19 shall be made available to the commission ~~((and the legislative
20 transportation committee))~~.

21 **Sec. 132.** RCW 47.46.030 and 2002 c 114 s 3 are each amended to
22 read as follows:

23 (1) The secretary or a designee shall solicit proposals from, and
24 negotiate and enter into agreements with, private entities to undertake
25 as appropriate, together with the department and other public entities,
26 all or a portion of the study, planning, design, construction,
27 operation, and maintenance of transportation systems and facilities,
28 using in whole or in part public or private sources of financing.

29 The public-private initiatives program may develop up to six
30 demonstration projects. Each proposal shall be weighed on its own
31 merits, and each of the six agreements shall be negotiated
32 individually, and as a stand-alone project.

33 (2) If project proposals selected prior to September 1, 1994, are
34 terminated by the public or private sectors, the department shall not
35 select any new projects, including project proposals submitted to the

1 department prior to September 1, 1994, and designated by the
2 transportation commission as placeholder projects, after June 16, 1995,
3 until June 30, 1997.

4 The department, in consultation with the legislative transportation
5 committee, shall conduct a program and fiscal audit of the public-
6 private initiatives program for the biennium ending June 30, 1997. The
7 department shall submit a progress report to the legislative
8 transportation committee on the program and fiscal audit by June 30,
9 1996, with preliminary and final audit reports due December 1, 1996,
10 and June 30, 1997, respectively.

11 The department shall develop and submit a proposed public
12 involvement plan to the 1997 legislature to identify the process for
13 selecting new potential projects and the associated costs of
14 implementing the plan. The legislature must adopt the public
15 involvement plan before the department may proceed with any activity
16 related to project identification and selection. Following legislative
17 adoption of the public involvement plan, the department is authorized
18 to implement the plan and to identify potential new projects.

19 The public involvement plan for projects selected after June 30,
20 1997, shall, at a minimum, identify projects that: (a) Have the
21 potential of achieving overall public support among users of the
22 projects, residents of communities in the vicinity of the projects, and
23 residents of communities impacted by the projects; (b) meet a state
24 transportation need; (c) provide a significant state benefit; and (d)
25 provide competition among proposers and maximum cost benefits to users.
26 Prospective projects may include projects identified by the department
27 or submitted by the private sector.

28 Projects that meet the minimum criteria established under this
29 section and the requirements of the public involvement plan developed
30 by the department and approved by the legislature shall be submitted to
31 the Washington state transportation commission for its review. (~~The~~
32 ~~commission, in turn, shall submit a list of eligible projects to the~~
33 ~~legislative transportation committee for its consideration.)) Forty-~~
34 five days after the submission to the (~~legislative transportation~~
35 ~~committee~~) commission of the list of eligible projects, the secretary
36 is authorized to solicit proposals for the eligible project.

37 (3) Prior to entering into agreements with private entities under
38 the requirements of RCW 47.46.040 for any project proposal selected

1 before September 1, 1994, or after June 30, 1997, except as provided
2 for in subsections ~~((+12+))~~ (11) and ~~((+13+))~~ (12) of this section, the
3 department shall require an advisory vote as provided under subsections
4 (5) through ~~((+10+))~~ (9) of this section.

5 (4) The advisory vote shall apply to project proposals selected
6 prior to September 1, 1994, or after June 30, 1997, that receive public
7 opposition as demonstrated by the submission to the department of
8 original petitions bearing at least five thousand signatures of
9 individuals opposing the project collected and submitted in accordance
10 with the dates established in subsections ~~((+12+))~~ (11) and ~~((+13+))~~
11 (12) of this section. The advisory vote shall be on the preferred
12 alternative identified under the requirements of chapter 43.21C RCW
13 and, if applicable, the national environmental policy act, 42 U.S.C.
14 4321 et seq. The execution by the department of the advisory vote
15 process established in this section is subject to the prior
16 appropriation of funds by the legislature for the purpose of conducting
17 environmental impact studies, a public involvement program, local
18 involvement committee activities, traffic and economic impact analyses,
19 engineering and technical studies, and the advisory vote.

20 (5) In preparing for the advisory vote, the department shall
21 conduct a comprehensive analysis of traffic patterns and economic
22 impact to define the geographical boundary of the project area that is
23 affected by the imposition of tolls or user fees authorized under this
24 chapter. The area so defined is referred to in this section as the
25 affected project area. In defining the affected project area, the
26 department shall, at a minimum, undertake: (a) A comparison of the
27 estimated percentage of residents of communities in the vicinity of the
28 project and in other communities impacted by the project who could be
29 subject to tolls or user fees and the estimated percentage of other
30 users and transient traffic that could be subject to tolls or user
31 fees; (b) an analysis of the anticipated traffic diversion patterns;
32 (c) an analysis of the potential economic impact resulting from
33 proposed toll rates or user fee rates imposed on residents, commercial
34 traffic, and commercial entities in communities in the vicinity of and
35 impacted by the project; (d) an analysis of the economic impact of
36 tolls or user fees on the price of goods and services generally; and
37 (e) an analysis of the relationship of the project to state
38 transportation needs and benefits.

1 (6)(a) After determining the definition of the affected project
2 area, the department shall establish a committee comprised of
3 individuals who represent cities and counties in the affected project
4 area; organizations formed to support or oppose the project; and users
5 of the project. The committee shall be named the public-private local
6 involvement committee, and be known as the local involvement committee.

7 (b) The members of the local involvement committee shall be: (i)
8 An elected official from each city within the affected project area;
9 (ii) an elected official from each county within the affected project
10 area; (iii) two persons from each county within the affected project
11 area who represent an organization formed in support of the project, if
12 the organization exists; (iv) two persons from each county within the
13 affected project area who represent an organization formed to oppose
14 the project, if the organization exists; and (v) four public members
15 active in a statewide transportation organization. If the committee
16 makeup results in an even number of committee members, there shall be
17 an additional appointment of an elected official from the county in
18 which all, or the greatest portion of the project is located.

19 (c) City and county elected officials shall be appointed by a
20 majority of the members of the city or county legislative authorities
21 of each city or county within the affected project area, respectively.
22 The county legislative authority of each county within the affected
23 project area shall identify and validate organizations officially
24 formed in support of or in opposition to the project and shall make the
25 appointments required under this section from a list submitted by the
26 chair of the organizations. Public members shall be appointed by the
27 governor. All appointments to the local involvement committee shall be
28 made and submitted to the department of transportation no later than
29 January 1, 1996, for projects selected prior to September 1, 1994, and
30 no later than thirty days after the affected project area is defined
31 for projects selected after June 30, 1997. Vacancies in the membership
32 of the local involvement committee shall be filled by the appointing
33 authority under (b)(i) through (v) of this subsection for each position
34 on the committee.

35 (d) The local involvement committee shall serve in an advisory
36 capacity to the department on all matters related to the execution of
37 the advisory vote.

1 (e) Members of the local involvement committee serve without
2 compensation and may not receive subsistence, lodging expenses, or
3 travel expenses.

4 (7) The department shall conduct a minimum thirty-day public
5 comment period on the definition of the geographical boundary of the
6 project area. The department, in consultation with the local
7 involvement committee, shall make adjustments, if required, to the
8 definition of the geographical boundary of the affected project area,
9 based on comments received from the public. Within fourteen calendar
10 days after the public comment period, the department shall set the
11 boundaries of the affected project area in units no smaller than a
12 precinct as defined in RCW ((29.01.120)) 29A.04.121.

13 (8) The department, in consultation with the local involvement
14 committee, shall develop a description for selected project proposals.
15 After developing the description of the project proposal, the
16 department shall publish the project proposal description in newspapers
17 of general circulation for seven calendar days in the affected project
18 area. Within fourteen calendar days after the last day of the
19 publication of the project proposal description, the department shall
20 transmit a copy of the map depicting the affected project area and the
21 description of the project proposal to the county auditor of the county
22 in which any portion of the affected project area is located.

23 (9) (~~The department shall provide the legislative transportation~~
24 ~~committee with progress reports on the status of the definition of the~~
25 ~~affected project area and the description of the project proposal.~~

26 (+10)) Upon receipt of the map and the description of the project
27 proposal, the county auditor shall, within thirty days, verify the
28 precincts that are located within the affected project area. The
29 county auditor shall prepare the text identifying and describing the
30 affected project area and the project proposal using the definition of
31 the geographical boundary of the affected project area and the project
32 description submitted by the department and shall set an election date
33 for the submission of a ballot proposition authorizing the imposition
34 of tolls or user fees to implement the proposed project within the
35 affected project area, which date may be the next succeeding general
36 election to be held in the state, or at a special election, if
37 requested by the department. The text of the project proposal must
38 appear in a voter's pamphlet for the affected project area. The

1 department shall pay the costs of publication and distribution. The
2 special election date must be the next date for a special election
3 provided under RCW (~~(29.13.020)~~) 29A.04.330 that is at least sixty days
4 but, if authorized under RCW (~~(29.13.020)~~) 29A.04.330, no more than
5 ninety days after the receipt of the final map and project description
6 by the auditor. The department shall pay the cost of an election held
7 under this section.

8 (~~(11)~~) (10) Notwithstanding any other provision of law, the
9 department may contract with a private developer of a selected project
10 proposal to conduct environmental impact studies, a public involvement
11 program, and engineering and technical studies funded by the
12 legislature. For projects subject to this subsection, the department
13 shall not enter into an agreement under RCW 47.46.040 prior to the
14 advisory vote on the preferred alternative.

15 (~~(12)~~) (11) Subsections (5) through (~~(10)~~) (9) of this section
16 shall not apply to project proposals selected prior to September 1,
17 1994, that have no organized public opposition as demonstrated by the
18 submission to the department of original petitions bearing at least
19 five thousand signatures of individuals opposing the project, collected
20 and submitted after September 1, 1994, and by thirty calendar days
21 after June 16, 1995.

22 (~~(13)~~) (12) Subsections (5) through (~~(10)~~) (9) of this section
23 shall not apply to project proposals selected after June 30, 1997, that
24 have no organized public opposition as demonstrated by the submission
25 to the department of original petitions bearing at least five thousand
26 signatures of individuals opposing the project, collected and submitted
27 by ninety calendar days after project selection.

28 **Sec. 133.** RCW 47.46.040 and 2002 c 114 s 16 are each amended to
29 read as follows:

30 (1) The secretary or a designee shall consult with legal,
31 financial, and other experts within and outside state government in the
32 negotiation and development of the agreements.

33 (2) Agreements may provide for private ownership of the projects
34 during the construction period. After completion and final acceptance
35 of each project or discrete segment thereof, the agreement may provide
36 for state ownership of the transportation systems and facilities and

1 lease to the private entity unless the state elects to provide for
2 ownership of the facility by the private entity during the term of the
3 agreement.

4 The state may lease each of the demonstration projects, or
5 applicable project segments, to the private entities for operating
6 purposes for up to fifty years.

7 (3) The department may exercise any power possessed by it to
8 facilitate the development, construction, financing operation, and
9 maintenance of transportation projects under this section. Agreements
10 for maintenance services entered into under this section shall provide
11 for full reimbursement for services rendered by the department or other
12 state agencies. Agreements for police services for projects, involving
13 state highway routes, developed under agreements shall be entered into
14 with the Washington state patrol. The agreement for police services
15 shall provide that the state patrol will be reimbursed for costs on a
16 comparable basis with the costs incurred for comparable service on
17 other state highway routes. The department may provide services for
18 which it is reimbursed, including but not limited to preliminary
19 planning, environmental certification, and preliminary design of the
20 demonstration projects.

21 (4) The plans and specifications for each project constructed under
22 this section shall comply with the department's standards for state
23 projects. A facility constructed by and leased to a private entity is
24 deemed to be a part of the state highway system for purposes of
25 identification, maintenance, and enforcement of traffic laws and for
26 the purposes of applicable sections of this title. Upon reversion of
27 the facility to the state, the project must meet all applicable state
28 standards. Agreements shall address responsibility for reconstruction
29 or renovations that are required in order for a facility to meet all
30 applicable state standards upon reversion of the facility to the state.

31 (5) For the purpose of facilitating these projects and to assist
32 the private entity in the financing, development, construction, and
33 operation of the transportation systems and facilities, the agreements
34 may include provisions for the department to exercise its authority,
35 including the lease of facilities, rights of way, and airspace,
36 exercise of the power of eminent domain, granting of development rights
37 and opportunities, granting of necessary easements and rights of
38 access, issuance of permits and other authorizations, protection from

1 competition, remedies in the event of default of either of the parties,
2 granting of contractual and real property rights, liability during
3 construction and the term of the lease, authority to negotiate
4 acquisition of rights of way in excess of appraised value, and any
5 other provision deemed necessary by the secretary.

6 (6) The agreements entered into under this section may include
7 provisions authorizing the state to grant necessary easements and lease
8 to a private entity existing rights of way or rights of way
9 subsequently acquired with public or private financing. The agreements
10 may also include provisions to lease to the entity airspace above or
11 below the right of way associated or to be associated with the private
12 entity's transportation facility. In consideration for the reversion
13 rights in these privately constructed facilities, the department may
14 negotiate a charge for the lease of airspace rights during the term of
15 the agreement for a period not to exceed fifty years. If, after the
16 expiration of this period, the department continues to lease these
17 airspace rights to the private entity, it shall do so only at fair
18 market value. The agreement may also provide the private entity the
19 right of first refusal to undertake projects utilizing airspace owned
20 by the state in the vicinity of the public-private project.

21 (7) Agreements under this section may include any contractual
22 provision that is necessary to protect the project revenues required to
23 repay the costs incurred to study, plan, design, finance, acquire,
24 build, install, operate, enforce laws, and maintain toll highways,
25 bridges, and tunnels and which will not unreasonably inhibit or
26 prohibit the development of additional public transportation systems
27 and facilities. Agreements under this section must secure and maintain
28 liability insurance coverage in amounts appropriate to protect the
29 project's viability and may address state indemnification of the
30 private entity for design and construction liability where the state
31 has approved relevant design and construction plans.

32 (8) Agreements entered into under this section shall include a
33 process that provides for public involvement in decision making with
34 respect to the development of the projects.

35 (9)(a) In carrying out the public involvement process required in
36 subsection (8) of this section, the private entity shall proactively
37 seek public participation through a process appropriate to the
38 characteristics of the project that assesses and demonstrates public

1 support among: Users of the project, residents of communities in the
2 vicinity of the project, and residents of communities impacted by the
3 project.

4 (b) The private entity shall conduct a comprehensive public
5 involvement process that provides, periodically throughout the
6 development and implementation of the project, users and residents of
7 communities in the affected project area an opportunity to comment upon
8 key issues regarding the project including, but not limited to: (i)
9 Alternative sizes and scopes; (ii) design; (iii) environmental
10 assessment; (iv) right of way and access plans; (v) traffic impacts;
11 (vi) tolling or user fee strategies and tolling or user fee ranges;
12 (vii) project cost; (viii) construction impacts; (ix) facility
13 operation; and (x) any other salient characteristics.

14 (c) If the affected project area has not been defined, the private
15 entity shall define the affected project area by conducting, at a
16 minimum: (i) A comparison of the estimated percentage of residents of
17 communities in the vicinity of the project and in other communities
18 impacted by the project who could be subject to tolls or user fees and
19 the estimated percentage of other users and transient traffic that
20 could be subject to tolls or user fees; (ii) an analysis of the
21 anticipated traffic diversion patterns; (iii) an analysis of the
22 potential economic impact resulting from proposed toll rates or user
23 fee rates imposed on residents, commercial traffic, and commercial
24 entities in communities in the vicinity of and impacted by the project;
25 (iv) an analysis of the economic impact of tolls or user fees on the
26 price of goods and services generally; and (v) an analysis of the
27 relationship of the project to state transportation needs and benefits.

28 The agreement may require an advisory vote by users of and
29 residents in the affected project area.

30 (d) In seeking public participation, the private entity shall
31 establish a local involvement committee or committees comprised of
32 residents of the affected project area, individuals who represent
33 cities and counties in the affected project area, organizations formed
34 to support or oppose the project, if such organizations exist, and
35 users of the project. The private entity shall, at a minimum,
36 establish a committee as required under the specifications of RCW
37 47.46.030(6)(b) (ii) and (iii) and appointments to such committee shall
38 be made no later than thirty days after the project area is defined.

1 (e) Local involvement committees shall act in an advisory capacity
2 to the department and the private entity on all issues related to the
3 development and implementation of the public involvement process
4 established under this section.

5 (f) The department and the private entity shall provide the
6 (~~legislative transportation committee and~~) local involvement
7 committees with progress reports on the status of the public
8 involvement process including the results of an advisory vote, if any
9 occurs.

10 (10) Nothing in this chapter limits the right of the secretary and
11 his or her agents to render such advice and to make such
12 recommendations as they deem to be in the best interests of the state
13 and the public.

14 **Sec. 134.** RCW 79A.05.125 and 1999 c 301 s 3 are each amended to
15 read as follows:

16 (1) The department of transportation shall negotiate a franchise
17 with a rail carrier to establish and maintain a rail line over portions
18 of the Milwaukee Road corridor owned by the state between Ellensburg
19 and Lind. The department of transportation may negotiate such a
20 franchise with any qualified rail carrier. Criteria for negotiating
21 the franchise and establishing the right of way include:

22 (a) Assurances that resources from the franchise will be sufficient
23 to compensate the state for use of the property, including completion
24 of a cross-state trail between Easton and the Idaho border;

25 (b) Types of payment for use of the franchise, including payment
26 for the use of federally granted trust lands in the transportation
27 corridor;

28 (c) Standards for maintenance of the line;

29 (d) Provisions ensuring that both the conventional and intermodal
30 rail service needs of local shippers are met. Such accommodations may
31 comprise agreements with the franchisee to offer or maintain adequate
32 service or to provide service by other carriers at commercially
33 reasonable rates;

34 (e) Provisions requiring the franchisee, upon reasonable request of
35 any other rail operator, to provide rail service and interchange
36 freight over what is commonly known as the Stampede Pass rail line from
37 Cle Elum to Auburn at commercially reasonable rates;

1 (f) If any part of the franchise agreement is invalidated by
2 actions or rulings of the federal surface transportation board or a
3 court of competent jurisdiction, the remaining portions of the
4 franchise agreement are not affected;

5 (g) Compliance with environmental standards; and

6 (h) Provisions for insurance and the coverage of liability.

7 (2) The franchise may provide for periodic review of financial
8 arrangements under the franchise.

9 (3) The department of transportation, in consultation with the
10 parks and recreation commission and the ~~((legislative))~~ senate and
11 house transportation committees, shall negotiate the terms of the
12 franchise, and shall present the agreement to the parks and recreation
13 commission for approval of as to terms and provisions affecting the
14 cross-state trail or affecting the commission.

15 (4) This section expires July 1, 2006, if the department of
16 transportation does not enter into a franchise agreement for a rail
17 line over portions of the Milwaukee Road corridor by July 1, 2006.

18 **Sec. 135.** RCW 81.80.395 and 1988 c 138 s 1 are each amended to
19 read as follows:

20 The Washington utilities and transportation commission may enter
21 into an agreement or arrangement with a duly authorized representative
22 of the state of Idaho, for the purpose of granting to operators of
23 commercial vehicles that are properly registered in the state of Idaho,
24 the privilege of operating their vehicles in this state within a
25 designated area near the border of their state without the need for
26 registration as required by chapter 81.80 RCW if the state of Idaho
27 grants a similar privilege to operators of commercial vehicles from
28 this state. The initial designated area shall be limited to state
29 route 195 from the Idaho border to Lewiston, and SR 12 from Lewiston to
30 Clarkston. ~~((The utilities and transportation commission shall submit
31 other proposed reciprocal agreements in designated border areas to the
32 legislative transportation committee for approval.))~~

33 **Sec. 136.** RCW 81.104.110 and 1998 c 245 s 165 are each amended to
34 read as follows:

35 The legislature recognizes that the planning processes described in

1 RCW 81.104.100 provide a recognized framework for guiding high capacity
2 transportation studies. However, the process cannot guarantee
3 appropriate decisions unless key study assumptions are reasonable.

4 To assure appropriate system plan assumptions and to provide for
5 review of system plan results, an expert review panel shall be
6 appointed to provide independent technical review for development of
7 any system plan which is to be funded in whole or in part by the
8 imposition of any voter-approved local option funding sources
9 enumerated in RCW 81.104.140.

10 (1) The expert review panel shall consist of five to ten members
11 who are recognized experts in relevant fields, such as transit
12 operations, planning, emerging transportation technologies,
13 engineering, finance, law, the environment, geography, economics, and
14 political science.

15 (2) The expert review panel shall be selected cooperatively by the
16 chairs of the ~~((legislative))~~ senate and house transportation
17 committees, the secretary of the department of transportation, and the
18 governor to assure a balance of disciplines. In the case of counties
19 adjoining another state or Canadian province the expert review panel
20 membership shall be selected cooperatively with representatives of the
21 adjoining state or Canadian province.

22 (3) The chair of the expert review panel shall be designated by the
23 appointing authorities.

24 (4) The expert review panel shall serve without compensation but
25 shall be reimbursed for expenses according to ~~((chapter 43.03))~~ RCW
26 43.03.050 and 43.03.060. Reimbursement shall be paid from within the
27 existing resources of the local authority planning under this chapter.

28 (5) The panel shall carry out the duties set forth in subsections
29 (6) and (7) of this section until the date on which an election is held
30 to consider the high capacity transportation system and financing
31 plans. ~~((Funds appropriated for expenses of the expert panel shall be
32 administered by the department of transportation.))~~

33 (6) The expert panel shall review all reports required in RCW
34 81.104.100(2) and shall concentrate on service modes and concepts,
35 costs, patronage and financing evaluations.

36 (7) The expert panel shall provide timely reviews and comments on
37 individual reports and study conclusions to the department of
38 transportation, the regional transportation planning organization, the

1 joint regional policy committee, and the submitting lead transit
2 agency. In the case of counties adjoining another state or Canadian
3 province, the expert review panel shall provide its reviews, comments,
4 and conclusions to the representatives of the adjoining state or
5 Canadian province.

6 (8) The (~~legislative transportation committee~~) local authority
7 planning under this chapter shall contract for consulting services for
8 expert review panels. The amount of consultant support shall be
9 negotiated with each expert review panel by the (~~legislative~~
10 ~~transportation committee~~) local authority and shall be paid from
11 (~~appropriations for that purpose from the high capacity transportation~~
12 ~~account~~) within the local authority's existing resources.

13 **Sec. 137.** RCW 82.33.020 and 1992 c 231 s 34 are each amended to
14 read as follows:

15 (1) Four times each year the supervisor shall prepare, subject to
16 the approval of the economic and revenue forecast council under RCW
17 82.33.010:

18 (a) An official state economic and revenue forecast;

19 (b) An unofficial state economic and revenue forecast based on
20 optimistic economic and revenue projections; and

21 (c) An unofficial state economic and revenue forecast based on
22 pessimistic economic and revenue projections.

23 (2) The supervisor shall submit forecasts prepared under this
24 section, along with any unofficial forecasts provided under RCW
25 82.33.010, to the governor and the members of the committees on ways
26 and means and the chairs of the committees on transportation of the
27 senate and house of representatives (~~and the chair of the legislative~~
28 ~~transportation committee~~), including one copy to the staff of each of
29 the committees, on or before November 20th, February 20th in the even-
30 numbered years, March 20th in the odd-numbered years, June 20th, and
31 September 20th. All forecasts shall include both estimated receipts
32 and estimated revenues in conformance with generally accepted
33 accounting principles as provided by RCW 43.88.037.

34 (3) All agencies of state government shall provide to the
35 supervisor immediate access to all information relating to economic and
36 revenue forecasts. Revenue collection information shall be available

1 to the supervisor the first business day following the conclusion of
2 each collection period.

3 (4) The economic and revenue forecast supervisor and staff shall
4 co-locate and share information, data, and files with the tax research
5 section of the department of revenue but shall not duplicate the duties
6 and functions of one another.

7 (5) As part of its forecasts under subsection (1) of this section,
8 the supervisor shall provide estimated revenue from tuition fees as
9 defined in RCW 28B.15.020.

10 **Sec. 138.** RCW 82.70.060 and 2003 c 364 s 6 are each amended to
11 read as follows:

12 The commute trip reduction task force shall determine the
13 effectiveness of the tax credit under RCW 82.70.020, the grant program
14 in RCW 70.94.996, and the relative effectiveness of the tax credit and
15 the grant program as part of its ongoing evaluation of the commute trip
16 reduction law and report to the (~~legislative~~) senate and house
17 transportation committees and to the fiscal committees of the house of
18 representatives and the senate. The report must include information on
19 the amount of tax credits claimed to date and recommendations on future
20 funding between the tax credit program and the grant program. The
21 report must be incorporated into the recommendations required in RCW
22 70.94.537(5).

23 **Sec. 139.** RCW 82.80.070 and 2002 c 56 s 413 are each amended to
24 read as follows:

25 (1) The proceeds collected pursuant to the exercise of the local
26 option authority of RCW 82.80.010, (~~(82.80.020,)~~) 82.80.030, and
27 82.80.050 (hereafter called "local option transportation revenues")
28 shall be used for transportation purposes only, including but not
29 limited to the following: The operation and preservation of roads,
30 streets, and other transportation improvements; new construction,
31 reconstruction, and expansion of city streets, county roads, and state
32 highways and other transportation improvements; development and
33 implementation of public transportation and high-capacity transit
34 improvements and programs; and planning, design, and acquisition of
35 right of way and sites for such transportation purposes. The proceeds
36 collected from excise taxes on the sale, distribution, or use of motor

1 vehicle fuel and special fuel under RCW 82.80.010 shall be used
2 exclusively for "highway purposes" as that term is construed in Article
3 II, section 40 of the state Constitution.

4 (2) The local option transportation revenues shall be expended for
5 transportation uses consistent with the adopted transportation and land
6 use plans of the jurisdiction expending the funds and consistent with
7 any applicable and adopted regional transportation plan for
8 metropolitan planning areas.

9 (3) Each local government with a population greater than eight
10 thousand that levies or expends local option transportation funds, is
11 also required to develop and adopt a specific transportation program
12 that contains the following elements:

13 (a) The program shall identify the geographic boundaries of the
14 entire area or areas within which local option transportation revenues
15 will be levied and expended.

16 (b) The program shall be based on an adopted transportation plan
17 for the geographic areas covered and shall identify the proposed
18 operation and construction of transportation improvements and services
19 in the designated plan area intended to be funded in whole or in part
20 by local option transportation revenues and shall identify the annual
21 costs applicable to the program.

22 (c) The program shall indicate how the local transportation plan is
23 coordinated with applicable transportation plans for the region and for
24 adjacent jurisdictions.

25 (d) The program shall include at least a six-year funding plan,
26 updated annually, identifying the specific public and private sources
27 and amounts of revenue necessary to fund the program. The program
28 shall include a proposed schedule for construction of projects and
29 expenditure of revenues. The funding plan shall consider the
30 additional local tax revenue estimated to be generated by new
31 development within the plan area if all or a portion of the additional
32 revenue is proposed to be earmarked as future appropriations for
33 transportation improvements in the program.

34 (4) Local governments with a population greater than eight thousand
35 exercising the authority for local option transportation funds shall
36 periodically review and update their transportation program to ensure
37 that it is consistent with applicable local and regional transportation

1 and land use plans and within the means of estimated public and private
2 revenue available.

3 (5) In the case of expenditure for new or expanded transportation
4 facilities, improvements, and services, priorities in the use of local
5 option transportation revenues shall be identified in the
6 transportation program and expenditures shall be made based upon the
7 following criteria, which are stated in descending order of weight to
8 be attributed:

9 (a) First, the project serves a multijurisdictional function;

10 (b) Second, it is necessitated by existing or reasonably
11 foreseeable congestion;

12 (c) Third, it has the greatest person-carrying capacity;

13 (d) Fourth, it is partially funded by other government funds, such
14 as from the state transportation improvement board, or by private
15 sector contributions, such as those from the local transportation act,
16 chapter 39.92 RCW; and

17 (e) Fifth, it meets such other criteria as the local government
18 determines is appropriate.

19 (6) It is the intent of the legislature that as a condition of
20 levying, receiving, and expending local option transportation revenues,
21 no local government agency use the revenues to replace, divert, or loan
22 any revenues currently being used for transportation purposes to
23 nontransportation purposes. (~~The association of Washington cities and
24 the Washington state association of counties, in consultation with the
25 legislative transportation committee, shall study the issue of
26 nondiversion and make recommendations to the legislative transportation
27 committee for language implementing the intent of this section by
28 December 1, 1990.~~)

29 (7) Local governments are encouraged to enter into interlocal
30 agreements to jointly develop and adopt with other local governments
31 the transportation programs required by this section for the purpose of
32 accomplishing regional transportation planning and development.

33 (8) Local governments may use all or a part of the local option
34 transportation revenues for the amortization of local government
35 general obligation and revenue bonds issued for transportation purposes
36 consistent with the requirements of this section.

37 (9) Subsections (1) through (8) of this section do not apply to a
38 regional transportation investment district imposing a tax or fee under

1 the local option authority of this chapter. Proceeds collected under
2 the exercise of local option authority under this chapter by a district
3 must be used in accordance with chapter 36.120 RCW.

4 **Sec. 140.** RCW 90.03.525 and 1996 c 285 s 1 and 1996 c 230 s 1617
5 are each reenacted and amended to read as follows:

6 (1) The rate charged by a local government utility to the
7 department of transportation with respect to state highway right of way
8 or any section of state highway right of way for the construction,
9 operation, and maintenance of storm water control facilities under
10 chapters 35.67, 35.92, 36.89, 36.94, 57.08, and 86.15 RCW, shall be
11 thirty percent of the rate for comparable real property, except as
12 otherwise provided in this section. The rate charged to the department
13 with respect to state highway right of way or any section of state
14 highway right of way within a local government utility's jurisdiction
15 shall not, however, exceed the rate charged for comparable city street
16 or county road right of way within the same jurisdiction. The
17 legislature finds that the aforesaid rates are presumptively fair and
18 equitable because of the traditional and continuing expenditures of the
19 department of transportation for the construction, operation, and
20 maintenance of storm water control facilities designed to control
21 surface water or storm water runoff from state highway rights of way.

22 (2) Charges paid under subsection (1) of this section by the
23 department of transportation must be used solely for storm water
24 control facilities that directly reduce state highway runoff impacts or
25 implementation of best management practices that will reduce the need
26 for such facilities. By January 1st of each year, beginning with
27 calendar year 1997, the local government utility, in coordination with
28 the department, shall develop a plan for the expenditure of the charges
29 for that calendar year. The plan must be consistent with the
30 objectives identified in RCW 90.78.010. In addition, beginning with
31 the submittal for 1998, the utility shall provide a progress report on
32 the use of charges assessed for the prior year. No charges may be paid
33 until the plan and report have been submitted to the department.

34 (3) The utility imposing the charge and the department of
35 transportation may, however, agree to either higher or lower rates with
36 respect to the construction, operation, or maintenance of any specific
37 storm water control facilities based upon the annual plan prescribed in

1 subsection (2) of this section. (~~If a different rate is agreed to, a~~
2 ~~report so stating shall be submitted to the legislative transportation~~
3 ~~committee.)) If, after mediation, the local government utility and the~~
4 ~~department of transportation cannot agree upon the proper rate, (and~~
5 ~~after a report has been submitted to the legislative transportation~~
6 ~~committee and after ninety days from submission of such report,))~~
7 either may commence an action in the superior court for the county in
8 which the state highway right of way is located to establish the proper
9 rate. The court in establishing the proper rate shall take into
10 account the extent and adequacy of storm water control facilities
11 constructed by the department and the actual benefits to the sections
12 of state highway rights of way from storm water control facilities
13 constructed, operated, and maintained by the local government utility.
14 Control of surface water runoff and storm water runoff from state
15 highway rights of way shall be deemed an actual benefit to the state
16 highway rights of way. The rate for sections of state highway right of
17 way as determined by the court shall be set forth in terms of the
18 percentage of the rate for comparable real property, but shall in no
19 event exceed the rate charged for comparable city street or county road
20 right of way within the same jurisdiction.

21 (4) The legislature finds that the federal clean water act
22 (national (~~pollution~~ [~~pollutant~~])) pollutant discharge elimination
23 system, 40 C.F.R. parts 122-124), the state water pollution control
24 act, chapter 90.48 RCW, and the highway runoff program under chapter
25 ((~~90.70~~)) 90.71 RCW, mandate the treatment and control of storm water
26 runoff from state highway rights of way owned by the department of
27 transportation. Appropriations made by the legislature to the
28 department of transportation for the construction, operation, and
29 maintenance of storm water control facilities are intended to address
30 applicable federal and state mandates related to storm water control
31 and treatment. This section is not intended to limit opportunities for
32 sharing the costs of storm water improvements between cities, counties,
33 and the state.

34 NEW SECTION. **Sec. 141.** The following acts or parts of acts are
35 each repealed:

36 (1) RCW 44.40.010 (Creation--Composition--Appointments--

1 Vacancies--Rules) and 1999 sp.s. c 1 s 616, 1980 c 87 s 39, 1971 ex.s.
2 c 195 s 1, 1967 ex.s. c 145 s 68, 1965 ex.s. c 170 s 64, & 1963 ex.s.
3 c 3 s 35;
4 (2) RCW 44.40.013 (Administration) and 2001 c 259 s 5;
5 (3) RCW 44.40.015 (Executive committee--Selection--Duties) and 2001
6 c 259 s 6 & 1999 sp.s. c 1 s 617;
7 (4) RCW 44.40.030 (Participation in activities of other
8 organizations) and 1982 c 227 s 17, 1977 ex.s. c 235 s 7, 1971 ex.s. c
9 195 s 3, & 1963 ex.s. c 3 s 38;
10 (5) RCW 44.40.040 (Members' allowances--Procedure for payment of
11 committee's expenses) and 2001 c 259 s 7, 1979 c 151 s 157, 1977 ex.s.
12 c 235 s 8, 1975 1st ex.s. c 268 s 3, 1971 ex.s. c 195 s 4, & 1963 ex.s.
13 c 3 s 39;
14 (6) RCW 44.40.090 (Delegation of powers and duties to senate and
15 house transportation committees) and 2001 c 259 s 8, 1977 ex.s. c 235
16 s 10, & 1973 1st ex.s. c 210 s 2;
17 (7) RCW 44.40.140 (Review of policy on fees imposed on nonpolluting
18 fuels--Report) and 1983 c 212 s 2;
19 (8) RCW 44.40.150 (Study--Recommendations for consideration--
20 Staffing) and 1998 c 245 s 88 & 1989 1st ex.s. c 6 s 14;
21 (9) RCW 44.40.161 (Audit review of transportation-related agencies)
22 and 2003 c 362 s 16;
23 (10) RCW 53.08.350 (Moratorium on runway construction or extension,
24 or initiation of new service--Certain counties affected) and 1992 c 190
25 s 2;
26 (11) RCW 44.40.020 (Powers, duties, and studies) and 1996 c 129 s
27 9, 1977 ex.s. c 235 s 5, 1975 1st ex.s. c 268 s 1, & 1963 ex.s. c 3 s
28 36;
29 (12) RCW 44.40.070 (State transportation agencies--Comprehensive
30 programs and financial plans) and 1998 c 245 s 87, 1988 c 167 s 10,
31 1979 ex.s. c 192 s 3, 1979 c 158 s 112, 1977 ex.s. c 235 s 9, & 1973
32 1st ex.s. c 201 s 1;
33 (13) RCW 44.40.080 (State transportation agencies--Recommended
34 budget--Preparation and presentation--Contents) and 1973 1st ex.s. c
35 201 s 2;
36 (14) RCW 44.40.100 (Contracts and programs authorized) and 2001 c
37 259 s 9, 1977 ex.s. c 235 s 11, 1975 1st ex.s. c 268 s 7, & 1973 1st
38 ex.s. c 210 s 3;

1 (15) RCW 46.23.040 (Review of agreement by legislative
2 transportation committee) and 1982 c 212 s 4;

3 (16) RCW 47.01.145 (Study reports available to legislators upon
4 request) and 1984 c 7 s 76, 1971 ex.s. c 195 s 6, & 1967 ex.s. c 145 s
5 78;

6 (17) RCW 47.05.090 (Application of 1993 c 490--Deviations) and 1993
7 c 490 s 6;

8 (18) RCW 47.12.360 (Advanced environmental mitigation--Reports) and
9 1997 c 140 s 5;

10 (19) RCW 47.76.340 (Evaluating program performance) and 1993 c 224
11 s 13 & 1990 c 43 s 8;

12 (20) RCW 47.74.010 (Multistate Highway Transportation Agreement
13 enacted, terms) and 1983 c 82 s 1; and

14 (21) RCW 47.74.020 (Appointment of delegates to represent state)
15 and 1983 c 82 s 2.

16 NEW SECTION. **Sec. 142.** Part headings used in this act are no part
17 of the law.

18 NEW SECTION. **Sec. 143.** (1) RCW 44.40.120 is recodified as a
19 section in chapter 44.04 RCW.

20 (2) RCW 44.40.025 is recodified as a section in chapter 43.88 RCW.

21 NEW SECTION. **Sec. 144.** This act is necessary for the immediate
22 preservation of the public peace, health, or safety, or support of the
23 state government and its existing public institutions, and takes effect
24 July 1, 2005, except for section 103 of this act which takes effect
25 July 1, 2006.

26 NEW SECTION. **Sec. 145.** Section 138 of this act expires July 1,
27 2013."

ADOPTED 03/14/2005

1 In line 2 of the title, after "agencies;" strike the remainder of
2 the title and insert "amending RCW 43.17.020, 47.01.041, 47.01.061,
3 47.01.071, 47.05.021, 47.05.030, 47.05.035, 47.05.051, 44.75.020,
4 44.75.030, 44.75.040, 44.75.050, 44.75.080, 44.75.090, 44.75.100,
5 44.75.110, 44.75.120, 44.28.161, 35.58.2796, 36.78.070, 41.40.037,
6 43.10.101, 43.79.270, 43.79.280, 43.88.020, 43.88.030, 43.88.230,
7 43.105.160, 43.105.190, 44.04.260, 44.28.088, 44.40.025, 46.01.320,
8 46.01.325, 46.16.705, 46.16.715, 46.16.725, 46.73.010, 47.01.280,
9 47.04.210, 47.04.220, 47.06.110, 47.06A.020, 47.10.790, 47.10.801,
10 47.10.802, 47.17.850, 47.26.167, 47.26.170, 47.46.030, 47.46.040,
11 79A.05.125, 81.80.395, 81.104.110, 82.33.020, 82.70.060, and 82.80.070;
12 reenacting and amending RCW 47.01.101 and 90.03.525; adding new
13 sections to chapter 47.01 RCW; adding a new section to chapter 44.04
14 RCW; adding a new section to chapter 43.88 RCW; creating new sections;
15 recodifying RCW 44.40.120 and 44.40.025; repealing RCW 44.40.010,
16 44.40.013, 44.40.015, 44.40.030, 44.40.040, 44.40.090, 44.40.140,
17 44.40.150, 44.40.161, 53.08.350, 44.40.020, 44.40.070, 44.40.080,
18 44.40.100, 46.23.040, 47.01.145, 47.05.090, 47.12.360, 47.76.340,
19 47.74.010, and 47.74.020; providing effective dates; providing an
20 expiration date; and declaring an emergency."

--- END ---